

**A Study of the Relationship between Customer
Satisfaction and Styles of Leadership in Kuwaiti
Banks**

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**I certify that this is the true and accurate version of the thesis
approved by the examiners**

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ABSTRACT

This study attempts to examine the relationship between customer satisfaction and leadership styles in Kuwaiti banks. Two samples of respondents have been used: One represented the customers of Kuwaiti banks, and the other represented the employees of the banks. Data were collected through structured interviews and questionnaires, and were analyzed by using two statistical scales of measurement. One scale was used to measure customer satisfaction, while the other to measure leadership styles and job satisfaction. The results indicated that the customers' sample expressed relatively high satisfaction, as the mean score for overall customer satisfaction with Kuwaiti banks was 80.1%. However, customer satisfaction differs from one bank to another, according to customer demographics.

The study links theory to practice by explaining the subject of modern leadership styles, from a western perspective, and shows their relevance to the Kuwaiti banking system and business environment. As such, it opens up a domain for investigating the application of western management theories in a different culture. Although Kuwaiti banks have been operating since 1952, no study to the best of this author's knowledge, has tackled the issue of customer satisfaction and leadership styles in those banks. Therefore, studying customer satisfaction and leadership styles in Kuwaiti banks is a contribution to the literature on banking industry in general and in Kuwaiti banks in particular, adding to knowledge with a case study from a different cultural setting. The study also opens up a horizon for future research work on developing Kuwaiti banking sector, as it uses standardized tools in terms of reliability and validity within the context of the Kuwaiti environment.

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LIST OF ABBREVIATIONS

ACLS:	Alpha Coefficient for Leadership Styles
ACT:	Achievement for Consulting and Training
BB:	Burkan Bank
BFI:	Byan for Investment
BKM:	Bank of Kuwait and the Middle East
BL:	Bottom-line Leadership
CBK:	Central Bank of Kuwait,
CIS:	Consideration and Initiative Structure
CKB:	The Civilian (Al-Ahli) Kuwaiti Bank
CL:	Communication Leadership
CUL:	Cultural Leadership
EBG:	Economic and Business Group
EL:	Empowerment Leadership
ELS:	Exploring Leadership Skills
FL:	Focused Leadership
GB:	Gulf Bank
GLM:	General Linear Model
JDI:	Job Descriptive Index
JS:	Job Satisfaction
JSSLOS:	Job Satisfaction Scale and Leadership Orientations Survey
KD:	Kuwaiti Dinar
KCB:	Kuwaiti Commercial Bank
KFAS:	Kuwait Foundation for the Advancement of Sciences
KFH:	Kuwait Finance House
KMB:	Kuwait and Middle East Bank
KSE:	Kuwait Stock Exchange
LBQ:	Leadership Behaviour Questionnaire
LBDQ:	Leader Behaviour Description Questionnaire
LES:	Leadership Effectiveness Survey
LLQ:	Leatherman Leadership Questionnaire

LPS: Leadership Practice Survey
LR: Leadership Reports
LST: Leader Substitutes Theory
LTL: Long Term Leadership
MPQ: Management Position Questionnaire
MPS: Managerial Practices Survey
NKB: The National Bank of Kuwait
PS: Performance Satisfaction
PA: Positive Attitude
PT: Positive Trend
OL: Organizational Leadership
RL: Respectful Leadership
RIL: Risk Leadership
SAMA: Saudi Arabian Monetary Agency
SAP: Standard and Power
SLT: Situational Leadership Theory
SS: Systems Satisfaction
SPSS: Statistical Package for Social Science
TL: Trust Leadership
TLT: Transformational Leadership Theory
TLS: Total Leadership Styles
TS: Total Satisfaction
WES: Work Environment Scale
WTO: World Trade Organization

CHAPTER ONE

INTRODUCTION

1.1 The rationale for the study

The operations of commercial banks depend mainly on customer deposits by which they conduct their business activities in the national economy. Through the use of customer deposits they generate funds and credit, issue bonds and securities in the form of stocks or bills, and loans to individuals and organizations, sell and purchase securities, credit accounts, do foreign exchange, and offer saves for rent. Commercial banks perform their duties according to established rules and within a framework of interrelated relationships. The customer is the main element of such relationships. Customers represent the main target of banks because without customers, as individuals and organizations, banks would not exist. Although commercial banks provide many services, the most important one is accepting and creating deposits for their customers (Seef, 1993, p.51). This service necessitates that customers should have trust in the banks and the banks' ability to meet their obligations toward their customers at all times. Such trust cannot exist unless the customer is satisfied. Satisfaction encourages customers to keep their deposits at the banks as long as possible, and make withdrawals only when badly needed (Abo-Ellenein, 1998, p.341). Customer satisfaction is also needed to enhance customers' awareness of banking, a matter that would make them tend to settle their debts by checks instead of having to carry cash.

Therefore, creating and instilling customer trust in banks is a pre-requisite for the banks to continue doing business. In this respect, Kuwaiti banks, as many banks in the world,

have to take all possible measures to satisfy their customers. They operate in an open free market economy where individuals, as well as organizations, have money to save and invest. However, in a highly competitive market, there are many commercial banks and many ways of investment available to customers. Hence the customers have plenty of choice and when they are not satisfied with one bank they can easily move to another.

As a result of economic growth and prosperity of the country, the levels of individual income are increasingly high, enabling people to possess long life consumer goods and to invest in fixed and liquid assets (Ministry of Planning, 2002, p.5). Saving and investment rates have increased while governmental restrictions on income generation have been relaxed. There are, for example, no taxes on personal income or on the added values. There are also very limited restrictions on the income or investments of Kuwaiti companies. To benefit from such a competitive and free market environment, Kuwaiti banks have had to work harder in order to attract and keep their customers. The managers of the banks have had to concentrate their efforts on finding ways of how to satisfy the needs of their customers. Hence the style of leadership of such managers becomes an important element in achieving the objective of customer satisfaction. In other words, how do managers behave with their employees to make them provide the service that leads to customer satisfaction? Hence is the rationale for conducting this research.

It is important to examine the effects of using a particular leadership style on employee and customer satisfaction in Kuwaiti banks for a number of reasons:

First, banking is a service industry of great importance to Kuwait economy. It has emerged as an important source of job creation and national wealth. It has the potential to help Kuwait

diversify its economy and push the wheels of business activity beyond the area of dependence on oil revenues by creating investments in different sectors. Therefore, to maintain a sustainable banking sector in a diversified and changing economy it is important to have the appropriate managers with the leadership styles that keep productive employees and attract satisfied customers.

Second, Kuwait's banking sector is well developed and highly sophisticated (Creane, et al. 2003). Since the 1970s, commercial banks have expanded their role to become fully-fledged financial institutions internationally recognized. Kuwaiti banks have had strong links with banking organizations in Europe, USA and the Middle East. These relationships have given a global reach to the Kuwaiti banks in terms of business activities. Moreover, in view of its attempt to become a full member of the World Trade Organization (WTO), Kuwait has been obliged to remove tariff and non-tariff barriers in the services sector of the economy. Such developments have necessitated the implementation of international banking standards and the introduction of advanced management approaches, which required managers who have international leadership skills to enable them to do business at an international level and to attract international as well as national customers.

Third, the Kuwaiti banking sector has been relatively protected by the state from international competition although it has to implement international banking standards. Such financial protection has given it the security that might lead, arguably, Kuwaiti managers to ignore the importance of employee satisfaction and the need for satisfied customers.

Fourth, the recent economic, social and political reforms in Kuwait, following the Gulf war and the liberation of Kuwait from Iraqi invasion, have created many reconstruction projects

that required investments through the use of commercial Kuwaiti banks. Kuwaiti managers have been faced with major challenges as a result of such developments which very often involved huge financial transactions. Managers have had to change the way they work and have had to adopt leadership styles that are appropriate to the new business environment and to the challenges they face. Recent statistics show that Kuwaiti banks have maintained steady performance, despite political conditions and tension in the region (see *Al-Quabas Daily*, p.18, on 12/9/2003). However many reports indicate that it is necessary to adopt an effective leadership to achieve an advanced level of performance since only one Kuwaiti bank ranked among the top ten out of 100 Arab banks (EBG, annual report, 2004). This would raise several questions about a number of aspects, most important of which are the managerial and technical performances of the manpower in Kuwaiti banks, and the associated influence on the satisfaction of the customers of those banks.

In the light of the above factors, this study was carried out in order to explore the relationship between customer satisfaction and leadership styles in the Kuwaiti banks, considering the mediating factors affecting such relationship.

1.2 Aims and objectives of the study

The main aim of this study is to investigate the relationship between leadership styles and customer satisfaction of Kuwaiti banks, by considering the mediating factors of that relationship such employee satisfaction variables (salary, working hours, benefits, work relations, and physical work environment) and customer personal characteristics (age, gender,

education, residence and marital status). To achieve this aim, the study attempts to meet the following objectives:

- 1) To measure the level of Kuwaiti bank customer satisfaction;
- 2) To identify the types of leadership style used by the managers of Kuwaiti banks;
- 3) To find out if the level of Kuwaiti banks customer satisfaction differs according to the styles of leadership adopted;
- 4) To measure the level of Kuwaiti banks' employee job satisfaction and its relationship to both leadership styles and customer satisfaction;
- 5) To identify the personal characteristics that are significant to customer satisfaction; and
- 6) To establish the effects of interaction between Kuwaiti banks' employee job satisfaction and customer characteristics on the relationship between leadership styles and customer satisfaction.

Achieving such aims and objectives would lead the study to reveal aspects of strength and weakness in the operations and management of Kuwaiti banks. It would be, therefore, possible to clarify the relationship between leadership styles and customer satisfaction in its proper context, since the study explores that relationship while considering relevant mediating factors. The level of leadership styles' effects on customer satisfaction may depend on specific variables. The study sheds light on those specific variables and sets proper strategies that can be used to generate the satisfaction of Kuwaiti bank customers. These strategies are incorporated in a systematic theoretical framework that is developed for assessing the value of customer satisfaction. The framework enables managers to determine which customer satisfaction elements should be given the priority of attention, and how these

banks improve particular customer satisfaction elements. Therefore it will be possible to hold customer satisfaction programs on how Kuwaiti banks' can improve the quality of the services they offer.

1.3 Problem definition, hypothesis and research questions

From the rationale, the aim and objectives of the study, as stated above, it can be concluded that the research problem is to identify relationships or the cause and effects of two behavioural factors: leadership and satisfaction. The mediating variables in the equation are employees' job satisfaction and customers' characteristics. Customer satisfaction refers to the degree of positive evaluation for Kuwaiti bank performance and work systems as perceived by customers, and the positive attitude of the customers towards their banks. The concepts of leadership, leadership styles and satisfaction are adopted from the relevant literature and presented in this thesis in a way that they can be analysed statistically, as will be explained in the next section. Leadership, in this context, refers simply to the way managers and supervisors behave in managing their banks. Leadership styles are identified as; focused leadership, communication leadership, trust leadership, respectful leadership, risk leadership, bottom-line leadership, empowered leadership, long-term leadership, organisational leadership and cultural leadership (Shashkin and Burk, 1990; Yukles and Lepsinger, 1990; Al-Rashidi, 2003). Each one of these styles will be explained in the literature review chapter. Job satisfaction refers to the satisfaction of Kuwaiti banks' employees with their jobs in terms of salary, working hours, management, professional benefit, work relations, and physical

work environment. Customer characteristics refer to the characteristics of Kuwaiti banks' customers in terms of gender, age, education, job, residence, and marital status.

In an attempt to study the relationships identified above, the following hypotheses have been put forward:

- 1) There are significant differences among Kuwaiti banks in relation to customer satisfaction.
- 2) There are significant differences among Kuwaiti banks in relation to leadership styles.
- 3) There are significant differences among Kuwaiti banks in relation to job satisfaction.
- 4) There are significant differences among practicing leadership styles related to job satisfaction.

To investigate such relationships, the study seeks answers to the following questions:

- 1) What is the level of Kuwaiti bank customer satisfaction?
- 2) What types of leadership styles do Kuwaiti bank managers practice?
- 3) Does the level of Kuwaiti bank customer satisfaction differ according to the level of leadership styles adopted?
- 4) What are the effects of interactions between Kuwaiti banks employee job satisfaction and customer characteristics on the relationship between leadership styles and customer satisfaction?

1.4 Conducting the study

To investigate the relationship between leadership styles and customer satisfaction, the study used two samples; the first sample represents customers of the Kuwaiti banks while the second sample represents the Kuwaiti banks employees. As it will be explained in the methodology chapter (Chapter 4), the data were collected through two standardized, valid and reliable scales; the first scale was used with the employees' sample, aiming to measure the practice of leadership styles and job satisfaction. The second scale was used with the customers' sample, aiming to measure customer satisfaction. Data were collected through face-to-face interviews and questionnaires, and were analysed by using the computer software SPSS program. The statistical outcomes were tabulated in a way that presents the answers to each of the study questions.

The interviews were first conducted with the bank managers to select those employees who fit the criteria of the study. The main criteria were: that the employee should have had at least two years experience in the position at his/her division or department at the bank and that he/she should be known for his/her punctuality at work. A sample of 350 employees was randomly selected based on the criteria, and those employees were then given questionnaires. The questionnaire inquired about different aspects of job satisfaction and demographic data. The answers to these questions were the basis of the research analysis.

The banks' customers were also randomly selected to participate in questionnaire survey. The sample size consisted of 350 customers of the various banks of Kuwait. The questionnaire inquired about the demographics of the customers and requested ratings for

their levels of satisfaction with the services and products provided. The details of data collection and analysis are presented in chapter four.

1.5 The Structure of the Thesis

This thesis is made of seven chapters as follows:

Chapter One. ‘Introduction’ covers the rationale for the study, the aim and objectives of the study, the definition of the study problem and questions, the conduct of the study, and the structure of the thesis. Regarding the rationale for the study, it emerges from the importance of commercial banks to the economy and society in Kuwait. The contribution of commercial banks to economic growth and development depends mainly on customer deposits through which those banks are able to perform their business activities in the national economy. Customer satisfaction is a key to the banks success and therefore to economic and social development. The role of managers is to attract and retain customers through the exercise of leadership styles that bring about employee commitment and job satisfaction. Therefore it is stated in this chapter that the main aim of the study is to investigate the relationship between leadership styles and customer satisfaction of Kuwaiti banks, by considering the mediating factors of that relationship such as employee satisfaction variables (salary, working hours, benefits, work relations, and physical work environment) and customer personal characteristics (age, gender, education, residence and marital status).

Chapter Two: ‘Leadership styles, customer satisfaction and job satisfaction- a review of the literature’, includes a review of the literature on leadership in organizations and

on employee job satisfaction and customer satisfaction. The chapter starts with a conceptual analysis of the concept of leadership, covering its definition, approaches and characteristics. The second section explains the ten styles of leadership, which are: focused leadership, communication leadership, trust leadership, respectful leadership, risk leadership, bottom-line leadership, empowered leadership, long-term leadership, organizational leadership, and cultural leadership. The third section explains the concept of customer satisfaction and its relationship to leadership. The fourth section explains the concept of job satisfaction as a mediating variable and discusses the significance of job satisfaction for both leadership and customer satisfaction.

Chapter Three: 'Kuwait, socio-economic background and a review of the Kuwaiti banking sector', provides a brief description of the state of Kuwait, the formation and development of Kuwaiti Commercial Banks, and the socio-economic characteristics of the work environment of these banks. This provides a definition of the context in which the research is conducted.

Chapter Four: 'The study methodology', is to explain the research methods that were used to investigate the relationship between leadership styles and customer satisfaction of Kuwaiti banks. The chapter covers the study design, the study samples, the study tools, data collection and data processing and analysis. Regarding the study design, a quantitative approach was used because it enabled the researcher to obtain much of the information that is needed to meet the research objectives. Regarding the study samples, the chapter clarifies the study population, sampling frames and sample sizes. It should be noted that two samples were used; the first sample of 350 represents the customers of Kuwaiti banks, while the second sample of 350 represents the Kuwaiti banks employees. There were 50 customers and

50 employees from each bank of the seven Kuwaiti banks studied. Both samples were selected according to specific criteria to ensure accuracy of the data that could be obtained. The chapter then explains the research tools showing that those tools were designed to meet the study objectives, and in compliance with scientific principles of research design methods. Two scales were used, the first measures leadership styles and job satisfaction and the second measures customer satisfaction. The two scales include the demographical characteristics of the interviewees, being independent variables according to which the interviewees' responses on the scales may vary. These tools have a considerable reliability and validity, and thus their efficiency have been validated by many other studies in Western countries. Finally, the chapter clarifies data analysis and processing using the computer software SPSS. The chapter ends with a brief conclusion on the study methodology.

Chapter Five: 'Presentation and analysis of the study results', is to present the study results regarding the relationship between leadership styles and customer satisfaction of Kuwaiti banks. This chapter exhibits the study results regarding customer satisfaction with Kuwaiti banks regarding performance satisfaction (PS), systems satisfaction (SS), positive trend (PT) and total satisfaction (TS). The section also elaborates on the relationship between customer satisfaction and job satisfaction. In presenting the results of these issues, the independent variables are considered. The chapter also presents the findings on the relationship between customer satisfaction and leadership styles which are: focused leadership, communication leadership, trust leadership, respectful leadership, risk leadership, bottom-line leadership, empowered leadership, long-term leadership, organizational leadership, cultural leadership and total leadership styles. The results related to the relationship between leadership styles and customer satisfaction are elaborated through the

degree to which such styles are practiced in Kuwaiti banks, the relationship between each style and customer satisfaction, and also the level of practicing leadership styles as a factor explaining customer satisfaction.

Chapter Six: 'Discussion of the findings', begins with a summary of the key findings of the study. Then the findings are interpreted in respect to each variable, including customer satisfaction, job satisfaction, and leadership styles, while considering the demographic variables of the respondents. The discussion covers the limitations of leadership's effects on customer satisfactions and identifies the potential factors affecting customer satisfaction. The implications of the study in theory and practice are then discussed, before concluding with an overall summary of the chapter.

Chapter Seven: 'Conclusion', starts with a summary of the key points in the thesis followed by a reconsideration of the research objectives. It is concluded that most of the research objectives have been met and the study has made some significant contributions to knowledge in theory and practice. The implications of the study are also discussed and some recommendations for improving leadership styles in Kuwait banks are made. Finally, the limitations of the study are explained and some proposals for further research are suggested.

CHAPTER TWO

LEADERSHIP STYLES, CUSTOMER SATISFACTION AND JOB SATISFACTION - A REVIEW OF THE LITERATURE

2.1 Introduction

The purpose of this chapter is to review the relevant literature on the related issues to be discussed regarding leadership definition and styles and its relationship with customer satisfaction. Lastly, job satisfaction as a mediating variable is explained in relation to both leadership styles and customer satisfaction.

2.2 Definitions of Leadership

The concept of leadership has been defined from different perspectives. For example, according to Fairholm (1991) leadership is the influence process, working with and through others to accomplish the goals of the organization. Cranwell et al. (2002, p.57) stated that leadership has been conceived as the focus of group processes, a matter of personality, a matter of inducing compliance, the exercise of influence, particular behaviours, a form of persuasion, as a power relation, an instrument to achieve goals, an effect of interaction, a differentiated role, initiation of structure, and as combination of these functions. Moreover, Shawky (1992, p.35), considered leadership as part of management, and it was defined as synonymous with good management. However, Pfeffer (1977) stated that leadership is

another skill area in which managers should demonstrate competence. This is supported by Al-Rashidi (2003) who argued that there is a difference between the concept of leadership and that of management. He concluded from a study of Kuwaiti managers that leadership and management are two correlated concepts, but they do not have the same meaning. The two concepts can be distinguished in several ways with regard to the relationship with subordinates. The leader's relationship with his or her subordinates is one of the oldest human relationships characterized by its primitiveness and efficiency. In this relationship, psychological qualities are mainly apparent as the leader stimulates sympathy and emotions, and motivates subordinates in the pertinent direction to be able to act accordingly (Al-Rashidi, 2003, p.14). Practices of psychological qualities indicate a certain type of talent and capability to impress subordinates and attract them. Therefore, leadership and management differ on the basis of the fields of concentration (Shawky, 2002, p.50). Leadership focuses on the human relations whereas management focuses on the technical aspects of organizing. The manager affects the organizational environment so as to enable employees to perform their duties more efficiently in order to achieve the organization's set goals. A manager performs a number of tasks such as planning, organizing, communicating, budgeting and controlling, while a leader performs only some of such duties, asserting the morale of the subordinates and stimulating their motivation to coordinate efforts towards a specific direction for the overall achievement of organizational objectives.

Moreover, according to Al-Rashidi (2003) there is also a difference between the concept of leadership and the concepts of authority, power and responsibility. He argued that leadership differs from authority, which is considered a legal right in managing and giving orders. An authorized individual usually derives his/her authority, the right to manage and

give orders from the job or position that he or she occupies in the organization. The concept of leadership also differs from the concept of power, which can be examined from several perspectives. In this respect, Pfeffer (1997) stated that those in power might possess five types of interpersonal power: reward, coercive, legitimate, referent, and expert. However, the concept of power differs from the concept of leadership as the former flows only in one direction, whereas the latter flows in dual connected directions, where continuous communications directed from up to down and vice-versa are encouraged. The power concept is also connected to imposing penalties and punishments on subordinates when they fail to meet organizational objectives, under perform and/or do not follow organizational policies and procedures, while leadership is making sure that the subordinates understand their rights and duties.

The concept of leadership differs from the concept of responsibility (Pfeffer, 1997; Al-Rashidi, 2003). Responsibility is considered as the followers' understanding of the manager's orders and organizational needs to perform certain duties or specific tasks. Responsibility can be continuous or limited for a specific duty or for a certain period of time. It is arguably possible to delegate 'authority' but not possible to delegate 'responsibility'. The leader who trusts and authorizes the subordinates to perform specific duties on his or her behalf is still responsible for the outcomes of their activities.

It can be concluded from the above that leadership is a behavioural process which takes place within a group context and is aimed at achieving organizational objectives (Northouse, 1997). Managers may or may not be leaders and leaders may or may not be managers but in most cases managers are supposed to be leaders who influence others, by using the power they have from their positions of authority, to perform specific tasks in order

to achieve organizational objectives but they are generally held responsible for the outcomes of their subordinates. Leadership has a number of characteristics and approaches, as explained next.

2.3 Leadership Characteristics and Approaches

Leadership has its unique characteristics that have to be defined in order to understand the different types of leadership style and behaviour. For instance, Sims and Manz (1996) argued that the true leadership comes from within, and in the end, achievement flows from the followers of a self-leadership style. In this respect, Owen (2000) developed a model based on the “seven essences” of leadership. According to the model, the following seven essences or principles denote leadership characteristics:

- 1) Leadership is distinctly different from management and is not just something to be added to the job of a manager.
- 2) Everyone is born with some gift of leadership. It is part of the human spirit and should be expressed to the world.
- 3) Leadership is not the latest ‘fad’ but a timeless concept that has been investigated in an attempt to understand this human phenomenon.
- 4) Leadership starts with the individual and requires a journey of becoming your true self. In other words, leadership begins with being.
- 5) Leadership requires us to understand and to listen to what is emerging in the world, share these experiences with others by connecting and then acting accordingly. This is the transforming part of leadership.

- 6) Leadership is expressed by everyone when people are connected and part of the whole rather than in separate components of a machine organization.
- 7) Leadership is about being followers as well as leaders. Position or privilege is not what makes a leader (Owen, 2000, pp.221-237).

The above seven essences provide for a wider interpretation of the concept of leadership and confirm the definitions of leadership stated earlier but one has to look deeper into the concept in order to determine the characteristics of a leader or leadership. Such characteristics could be classified in terms of leadership approaches because a leadership approach demonstrates the significance of leadership behaviour to a group or an organization (Shafique, 1987, p.144). There are at least eight types of leadership approach; The trait approach, situational approach, emergent approach, imposed approach, charismatic approach, Machiavellianism approach, influence approach, and role position/group structure approach (Lord and Engle, 1996; Johnson & Johnson, 1991).

In discussing such approaches, Johnson and Johnson (1991, p.153) explained that in the trait approach the emphasis is placed on what makes a leader. However, this obscured some important distinctions including the source of authority and the nature of function to be fulfilled in diverse situations. In the situational approach, the emphasis lies in the way leadership handles events in the context in which they occur. However, the traits of the leader that are necessary and effective in one group or situation, may be quite different from those of another leader in a different setting.

According to the emergent and the imposed leadership approaches superior authority determines leadership. However, the acceptance of influence, which is conditional

upon the consent of followers, produces “emergent” leadership. Whereas the charismatic approach assumes that the charismatic leader has (i) an extraordinary power or vision and is able to communicate it to others, or (ii) unusual powers of practical leadership that will enable him/her to achieve the goals that will alleviate followers’ distress (Dorian et al., 2000). A charismatic leader has a sense of mission and confidence in himself/herself to lead the movement to its destination.

The essence of Machiavellian leadership consists of believing (i) that people are basically weak, fallible, gullible, and not practically trustworthy; (ii) that others are impersonal objects; and (iii) that one should manipulate others whenever it is necessary in order to achieve one’s ends (Girodo, 1998). However, the influence approach to leadership implies that there is a reciprocal role relationship between leaders and followers in which an exchange or transaction takes place. Without followers there can be no leader and without a leader there can be no followers. Influence over others is purchased at the price of allowing oneself to be influenced by others (Adeyemi, 1999).

Finally, according to the role position/group structure approach, the group structure consists of role definitions and group norms that structure the interaction among group members. The formal role system defines the hierarchy of authority which is a legitimate power vested in a particular position to ensure that individuals in subordinate positions meet the requirements of their organizational roles (Johnson and Johnson, 1991, p.153).

In the process of implementing any of the above approaches to leadership, the leaders show a number of leadership qualities that can be learnt and/or are possessed

naturally. Rosenbach and Taylor (1993, pp.15-16) listed such qualities as; self-knowledge/self-confidence, vision, ability to infuse transcending values into an enterprise, intelligence, wisdom, judgment, learning/renewal, world mindedness, sense of history and breadth, coalition building/social architecture, morale building, motivation, stamina, energy, tenacity, courage, enthusiasm character, integrity/intellectual honesty, risk taking, entrepreneurship, ability to communicate, persuade/listen, understanding the nature of power and authority, ability to concentrate on achieving goals and results, sense of humour, perspective, and flexibility. While it may be impossible for a person to have all such qualities, a combination of any of them creates a certain type of leadership, as explained in the next section.

2.4 Leadership Styles

While the leadership approaches demonstrate the significance of leadership behaviour to the group or organization, the leadership styles are the pattern of behaviours that the leaders use with the subordinates (Adeyemi, 1999). A study by Shashkin and Burk, (1990) analysing the criteria of organizational behaviour effectiveness suggested ten types of leadership style, as follows: 1) focused leadership; (2) communication leadership; (3) trust leadership; (4) respectful leadership; (5) risk leadership; (6) bottom-line leadership; (7) empowered leadership; (8) long-term leadership; (9) organizational leadership; and (10) cultural leadership. These ten styles of leadership have been supported by the findings of recent studies (House and Padsakof, 1994, Nourthouse, 2001) and were adopted by Al-Rashidi

(2003) in his study of Kuwaiti managers. These leadership styles are explained in more detail below.

2.4.1 Focused leadership

Focus is a central point of attraction, attention and activity (Levine and Mohr, 1998). Effective leaders are supposed to constantly work to maintain focus, to ensure that they, and those they are leading, are going in the right direction. Goals must be carefully mapped before any course of action is taken and once a task has been undertaken, constant vigil must be exercised to make certain that the group is not lead astray. Often, goals made at the start of a project are clear and obvious but as time passes, they can quickly become blurred and obscure. Therefore, one of the most important responsibilities of a leader is to make sure that the subordinates remain on course and focused. Much like a navigator on a sea bearing ship, the leader must first help chart the course and then constantly work to make sure that the ship remains on course, until it reaches its destination. Hence, just as in an ocean voyage, small deviations off the course can lead to disaster, and prevent you from ultimately reaching your goals (Lyons, 1999).

A leader has to be ready to confront issues that need to be dealt with and resist the temptation to back down or let an issue slide away. In this case, a focused leader is open to constructive criticism (Bobocel and Debeyer, 1998) and should behave according to the notion that: the ends DO NOT justify the means. A leader is accountable for how the subordinates reach their goals and he or she does not allow them to be blinded by ambition, sacrificing integrity to reach their objectives. Focused leadership demands growth, sets

priorities, and focuses on areas that will have the greatest impact on growth and profitability (Shawky, 1992, p.37). For example, a market-focused leader is the one who is able to direct resources and attention outward by paying attention to customers, competitors, market forces, regulatory issues and any other external factors that can affect the performance of the market (Zoher, 1982, pp.14-16).

Focused leadership should have clarity of vision and that requires thinking strategically about priorities. For example, a market-focused clarity of vision means considering the customers and the marketplace first. In this case, two questions may be considered with each daily decision: What are the possible outcomes from that decision?, and what are the implications of those outcomes?. Phrasing those two questions from a market-focused perspective means asking, how that decision affects the customers, and what are the implications in terms of their relationship with the company (Parent, 1998).

Clarity of actions entails interpreting this outwardly focused vision down to the details of daily activities in an organization. The daily activities should define the strategy and the market position of the organization. Customers see and react to those activities. Therefore, those activities need to reflect the company's vision. Continuity from vision to daily activities produces a clear synchronization. The road to accomplishing consonance between vision and activities entails challenging the focus of all activities and where necessary, refocusing them outward to the customer and the marketplace (Slater and Narver, 2000).

Focused leaders solicit participation and get feedback from the employees, determine whether their activities are in harmony with the vision, and whether their activities

support one another, building a set of guidelines and metrics for ensuring that the focus of the company is outward and the activities of the company support and enhance the enactment of the vision (Belinda et al., 1999). An underlying premise for an outward-focused approach is that market information drives strategies, product development and growth plans, an important consideration for market-focused leadership entails responding when the situation dictates (Shawky, 2002, p.68). Being outwardly focused, investing in marketing and being driven by market information yields decision points. For a market-focused business, these decision points are connection points with the customers and also potential moments of change (Shafique, 1987, p.36). These decision points are thought of as opportunities to challenge assumptions, reassess priorities and decide if change is warranted. After the company reaches a market-focused frame of operation, the hardest part is continuing to make the daily decisions that perpetuate the vision. In this process, distractions are likely to occur, and some of them may be big (Slater and Narver, 2000). Market-focused leadership is a demanding taskmaster but the rewards and growth potential make the investment worthwhile. These rules are by no means comprehensive and even the greatest leader can lose track of the goal every so often (Shawky, 2002, p54). Only by constantly checking where a leader is going, can he make sure that he/she is going to get where he/she want to go.

In summary, focused leadership entails clarity of vision, and the ability to keep followers centred on the final objective. Focus is achieved by clearly established priorities and goals, which are well known to subordinates. The focused leader creates a framework of operations focused on goals and is able to make difficult decisions in order to meet the desired target objectives.

2.4.2 Communication leadership

There are many reasons for leaders to communicate with their subordinates to try to elicit a particular response from them (Cranwell et al., 2002, p.267). They do so in order to:

- Inform – to keep the subordinates up to-date;
- Share/exchange – to identify best practices and processes to educate through coaching and training;
- Inspire - to encourage others to perform;
- Gain commitment - to involve others in decision making;
- Enhance culture - to acquire information to make changes

Communication leadership adapts a multi-directional communication process. Leaders of this kind tend to encourage subordinates to feed information upwards whenever possible and exchange information vertically between levels and horizontally between sections and departments within the same level in the organizational hierarchy. According to O'Connor, et al. (1998), communication varies and takes more than one direction, there is the professional interpersonal communication, internal (i.e., intra-organizational) communication, external (i.e., inter-organizational) communication, intercultural communication, and computer technology communication. These forms of communication are essential for effective organizational performance. It takes place through the use of many means such as: E-mail, telephone, tele-conferencing, Internet conferencing, and newsletters/mail, work team building sessions and meetings, training sessions and websites (diary, forum, documents, chat, links, contacts). Support and trust are the key words for any successful information exchange. Members of an information exchange group have to know that sharing best practices is the

key to continual improvement, the exchange of knowledge develops individuals, and the exchange of objectives inspires others to perform in pursuit of goals (Mackey and Abdul-Aziz, 2002, p.12).

There are many studies that have shown the importance of communication leadership to affect followers (O'Connor et al., 1998; Hsieh, 1998; Evans, 1998; Dodson, 2000). It is argued that through effective communication, leaders can work to reduce stress and give relevant information to concerned members. Since people are likely to gossip if there is insufficient communication, encouraging communication could facilitate the development of a friendly work environment. Keeping in contact with followers enables leaders to make sure that their subordinates are well informed and capable of dealing with real-time work related situations. Through communication leaders can satisfy their followers needs of recognition, respect and direction that make everyone involves in tasks performance (Stirling, 1998).

It is also argued that leadership that is consistent in behaviour and communication creates an environment of trust and respect between subordinates and leadership. Environments in which the mood and behaviour of the leadership is unpredictable often sees performance decline through fear of sharp rebuke over poor performance (Shawky, 2002, p.67). By communicating promptly and effectively, a leader creates a working environment where team members are respected, genuinely involved and valued (Cranwell et al., 2002, pp. 293-294).

In summary, the purpose of communication leadership is to inform, share, inspire, gain commitment, and to enhance an organizational culture that is built on information,

respect and understanding. Communication can be done through a variety of means and technologies but it should be multi-way. Such communication helps to create a friendly work environment by keeping workers well informed.

2.4.3 Trust leadership

Trust helps insure loyalty, cooperation, efficiency and satisfaction, which are all essential for the success of the organization or business (Burke and Stets, 1999). Individual willingness to change is dependent largely on the trust levels present in his/her relationships with others in the group (groups) in which he/she interacts (Yamagishi et al., 1999). Trust behaviour shows a willingness to be vulnerable to another, it is reflected in an attitude of faith or confidence in the other person and it implies more than confidence (Gibb, 1978). It has been argued that trust is a main factor in leadership behaviour (Pixley, 1999; Moray, et al. 2000). For example, Fairholm (1998; p.78) defined leadership as a task of building, unifying, values-based trust cultures more than is charisma, communication or crisis management.

Effective leaders think of their role as a task creation, not control, and they try to create an environment of trust to boost both personal and institutional growth. A trust relationship in work creates a unifying context within which leaders and followers work and focus efforts toward agreed upon goals, values and vision ideals. In a climate of trust, individuals can give open candid reactions to what they see as right or wrong (Fairholm, 1998, pp.6-7). Once given, trust opens opportunities to gain experience with other people. The process of gaining trust relies first on having some accurate knowledge of the person, thing or situation. Such knowledge forms the basis of a lasting trust encouraged by a culture

that honours the individual and fosters cooperative interaction (Cho, 1999). Self-trust relates to several desirable characteristics of the leader's personality such as knowledge, responsibility and faith. In this respect, knowledge refers to the stored truth gained from learning and experience. Responsibility defines individuals' acceptance of accountability for themselves and for their actions. Faith is confidence in the correctness, the appropriateness of the course of action and abilities to attain desired goals (Fairholm, 1998, p.94).

Moreover, trust leadership is based on the belief that trust begets trust; one has to trust to become trusted. When leaders understand and appreciate a follower's effort, they are bestowing trust on that follower (Culbert and McDonough, 1985). Leaders develop trust through participation, helping relations, active listening and consistent styles (Fairholm, 1991, p.95). Participation includes shared decision making, encouragement of the expression of feelings, informal corporate structures and relationships engaged in by the leader to increase support and commitment to corporate policies and goals (Molm, et al. 2000). Helping relations are developed by leaders who act sensitively towards their followers and display attitudes of warmth, caring, liking, respect, and interest with them (Lawlor, 1998). Active listening is a process that takes the listener inside the speaker to understand his/her point of view. In trust leadership, it is listening for total meaning and involves listening for content and feelings (Fairholm, 1991). The principal foundation of developing trust through participation, helping relations and active listening is consistency of style. Leaders can use any style of leadership to encourage trust, but the essential need is for consistency in applying that style for the followers to get used to it and trust it. A consistent and stable leadership style helps followers feel free to extend their trust to that leadership.

Trust leadership is also characterized with honesty. Honesty is the most essential requirement for leaders to be trusted. Employees judge whether leadership is worthy of their trust or not based on the leader's honesty and on whether or not the leaders keep to their promises by doing what they say they will do (Hamid, and Lok, 2000). Agreements not followed through, false promises, cover-ups, and inconsistency between word and deed are all indicators of dishonest leadership. Honesty is also related to credibility. An honest and credible leader is very often trusted. When a leader is credible, the followers feel more trusting and secure around that leader and more willing to commit themselves and work hard to achieve a shared vision. In this respect, Rosenbach and Taylor (1993, pp.57-61) suggested five actions that help to build credibility:

- 1) Knowing constituents, which means that building any credible relationship starts with getting to know the people involved in that relationship. The leaders have to find out the needs of their followers and understand their interests in order to lead them in the right direction.
- 2) Standing up for beliefs, which means that the people who take a clear position are appreciated. Those who lack confidence in their own decisions are not followed. The followers may react negatively when they feel confused by what their leaders stand for. However there is a danger in always standing on clear principles because the leaders may be seen as rigid and insensitive, which are precisely the attributes that lead a derailment and termination. The key to escaping rigidity is to remain open and to communicate effectively.

- 3) Speaking with passion, which means that to gain his/her employees commitment, a leader has to express commitment to the goal. His/her messages about goals are normally delivered in a way that invokes emotion and motivates.
- 4) Leading by example, which means that the leader is a role model. Employees look to them for clues and how he/she behave in certain circumstances. Leaders' deeds and actions are believed in more than their words.
- 5) Self-conquering, which means that the real struggle of leadership is internal. Effective and credible leaders should know what is going on in the organization and in the world. Credible and trusted leaders are always prepared to handle any problems facing the organization and they can also take the proper decisions at the right time.

To summarize, trust leadership is essential to building loyalty, cooperation, efficiency and satisfaction. Trust leaders facilitate open communication and are honest. They encourage participation, active listening and consistency of style. Trusted leaders show credibility in their work and lead by example.

2.4.4 Respectful leadership

Respect in a society implies clarity of self and valuing others. It is positively correlated to self-respect, self-esteem, appropriate language and physical appearance (Yelsma and Yelsma, 1998). It is true that the group membership affects social respect through contributing to the development of self-image, sense of competence, self-confidence, and empowerment (Collins, 2000), but social respect depends mainly on personal behaviour and

personality characteristics. Disrespectful leaders do not just promote a disrespectful work environment, but they leave undeveloped potential and other wreckage that is not just unpleasant, it also carries numerous costs such as low morale, high turnover, sabotage, unethical behaviour, lower productivity, high absenteeism and worker's compensation claims.

In this context, Al-Kzaz (1992) stated that respectful leadership is characterized by seven principles: respectability, accountability, value differences, communication, encouragement, focus, and collaboration. In analyzing these principles, he explained that respectability means the respectful leader respects others and treats them with dignity in their presence and in their absence. Regarding accountability, he stressed that the respectful leader takes personal responsibility for the outcomes of their followers' actions and gives rewards for desirable behaviours and results. Respectful leaders are also decisive and consistent, communicating clear expectations for the job and holding others accountable. With regard to communication, the respectful leader is flexible, a good listener, honest, rewards for desirable behaviour and results, and admits when they are wrong. In respect to value differences, the respectful leader accepts different backgrounds, different ways of thinking and different disciplines and roles. With regard to encouragement, the respectful leader accepts the mistakes and limitations of human beings and provides them with a safe and rewarding work environment. Regarding focus, the respectful leader accepts change, strives towards the right mission/vision, is resilient, and thinks beyond his or her own discipline. Lastly, with regard to collaboration, the respectful leader works as a team member, coordinates with others, and keeps others informed (Al-Kzaz, 1992, pp.191-203).

In summary, respectful leaders are those who are respected by their subordinates because they respect themselves and others. They believe in the active participation of everyone and obtain practical information about developing personal and organizational competence. They foster deeper connections by creating an equitable work environment for all employees and develop skills in responding to challenging situations based on differences and gain practice in implementing proactive strategies that promote inclusion and respect. Respectful leadership involves a clear understanding of the role of the leader in setting and maintaining expectations for respectful behaviour and high standards of task achievement within the workplace.

2.4.5 Risk leadership

According to Cranwell et al. (2002, p.297) “risk management is at the heart of leadership”. One can safely say that conflict avoidance is the trademark of weak leaders who are incapable of leading change and often end up with an uncontrollable crisis. “The art of putting differences of opinion and aspiration on the table and leveraging them to achieve prompt decisions is a common skill of great business leaders” (Vaughan, 1997, p.7). The term risk is often used in connection with the term uncertainty. It includes all situations in which an exposure to adversity exists. This adversity sometimes involves financial loss and sometimes not. Vaughan (1997, pp.13-15) classified risks according to several standards. He mentioned that risk might be static or dynamic. Static risks involve those losses that would result even if no changes in the economy occurred. The economic activity commits resources in the present to the uncertainty of the future. The existing problems of production will yield

greater economic performance only through greater uncertainty, that is, through greater risk (Drucker, 1977, p.119). The risk leader manages risks focusing on the opportunities when considering challenges. Drucker (1997) identifies the correct answers to the important questions, which are: What things I must change? (processes, projects, markets or activities); How do I change it? (shut it down, pull the plug, divest); and what new things can I try and when? In fact, these questions and their answers reflect what Taffinden (1995, p.65) mentioned as risk taking and risk making.

According to Taffinden (1995), the leader has to think and act accurately in dealing with risk making and risk taking. In risk making, there are elaborate questions related to things that must be changed. One question is how changes will be made, for example whether to alter a strategy or to abandon the strategy altogether. Risk leadership also has to be aware of new tactics which can be adopted and when it is the best time to implement change. This form of leadership understands risk and takes calculated risks when seeking opportunities rather than trying to eliminate risk altogether (Taffinden, 1995, p.76). Risk taking and initiative occur when (1) boundaries of authority and responsibility are clear, and when (2) people are provided custom designed performance and leadership skills training to proactively understand their responsibilities. Moreover, uncertainty and risk may involve making mistakes. The leader creates a psychological space or freedom to act, which creates risk. The action of acknowledging an error, no matter how large, produces new ways of looking at things. Taffinden describes a culture change in the top team to make it easier and more effective to acknowledge mistakes; leaders produce a shift between old culture and new culture (Taffinden, 1995, p.76), as follows:

Old Culture	New Culture
-I always get decisions right.	-We all make mistakes.
-My job is to avoid mistakes.	-My job is to take risks.
-Shoot the message. Don't talk failure.	-If it is failing. Why?
-If it is wrong, may be it will get better	-If it is wrong, change it?

It is clear from the above that risk leadership involves many activities in an uncertain and competitive working environment. In this context, Cranwell et al., (2002, p.87) identified the basic requirements for the leader performance which are: recognizing the importance of management, sensitivity to the needs of the team, ensuring having flexibility to adopt the right leadership style in the right situation, sense of purpose and self-belief, openness to develop self as a leader, ability to embrace change, being on constant lookout for new and better ways of doing things, nurturing the team building collaborative relationships with others, looking out and reading the external environment, sensitivity to the climate with the team, commitment to the environment of all the team sharing leadership with them and developing positive relationships with the team. With all these requirements, performances of risk leadership depend on openness, awareness and trust (Krohn, 1993).

In summary, risk leadership involves leaders managing risks, focusing on opportunities when considering challenges. The risk leader does not avoid risk, but rather analyzes risk in order to calculate how to take advantage of unrealized potential. He or she is

proactive, embracing change and taking advantage of new and developing prospects for growth.

2.4.6 Bottom-line leadership

Bottom-line leadership is about the leaders who have a basic sense of self-assurance, an underlying belief that they can personally make a difference and have an impact on people, events and organizational achievements (Tareef, 1992, p.45). Bottom-line leaders are aware that people make the difference and believe that they personally can do so. Their main characteristic is their ability to instil a sense that one can have an effect over the destiny of others (Al-Rashidi, 2003, p.29). Bottom-line leadership enables organizations for effective performance through taking a hard look at their subordinates' practices and asks: Are subordinates really doing what they should to get sustained peak performance from the workforce? Are they committed? Have they been enabled to do their best work? Do they know that their leadership cares? (Shawki, 2002, pp.183-185).

Bottom-line leadership goes through a process of discovery, illustrating the three "employment imperatives" which are; presentation, discussion and additional interactive exercises taking place in the relevant work area. Feedback from interactive exercises allows participants to discover the relevance of each related technique to their own workforce, and develop a personal action plan to do something about it. This affects performance positively because it helps the leader in managing diversity, improving the work climate and confirming employee's identities to enhance work group dynamics (Milton, 1999).

Another significant feature of bottom-line leadership is its multidimensional role in understanding the hidden levers that drive organizational success, capturing tools to increase effectiveness and motivation, creating a culture that nurtures excellence and develops future leaders, and building sustainable high performance and productivity by creating a high-performing culture. This is important in increasing an organizations' own human capital for career success (Wayne et al., 1999). Moreover, according to Bushe (1999); Clark and Matze (1999); Milton (1999); Cook and Elmer (1999), bottom-line leadership works on building an organization's strength by developing the skills of the subordinates through targeted and custom designed intervention. Bottom-line leadership spends time in determining where the leadership gaps are and then designs the training, inventories and coaching guaranteed to close the gaps (Cook and Elmer, 1999). It helps to achieve advantages such as leveraging diversity for competitive advantage domestically and internationally, creating environments that allow employees to work at peak performance and develop their full potential, examining best practices (ethics, standards of practice, professional competencies, etc.), exploring changes in world markets, and building a workforce to stay ahead of the changes (Ashforth et al., 1998).

In summary, bottom-line leadership is built on the principle of finding what the subordinates can offer and do best to meet organizational objectives. Bottom-line leaders believe that they can personally achieve as well as motivate others to achieve a common goal. They seek to understand the hidden factors that produce success, utilizing tools that motivate and increase effectiveness. By focusing on results, bottom-line leaders are constantly developing new skills and investigating new techniques that may boost overall performance by involving everyone concerned.

2.4.7 Empowered leadership

Power and empowerment are central and recurring themes appearing throughout the theory of organizational leadership. Visionary leaders have a high need for power, not for its personal rewards or to dominate others, but because they know that it is through power and influence that things get done in organizations (Ernst, 1998). Power and influence are the necessary means for affecting one's world, and for realizing one's vision. Visionary leaders realize that power and influence must be widely shared, not just exerted at top levels by a few key persons (Strong and Nicholson, 1998). In successful organizations, everyone feels empowered and able to play a role, especially over the job for which they are personally responsible. Efficient leaders use power to empower others, who then use their power and influence to help create the leader's vision (Al Rashidi, 2003, pp.29-30).

Empowered leadership presents fundamental principles and strategies that strengthen influence capacities with all types of people reporting to the concerned leadership figure. According to Dess and Picken (2000), empowering employees at all levels is one of the key roles of leaders as they seek to loosen up the organization without losing strategic focus or spinning out of control. This is very important regarding an increasingly competitive global economy, which places a premium on innovation, flexibility, and responsiveness. The focus of management's efforts must shift from the more efficient management of tangible resources, to the more effective utilization of a firm's intellectual capital and human resources. More capable leadership at the top is not necessarily the answer. To compete in the knowledge age, firms must increasingly rely on the knowledge, skills, experience, and judgment of all their people (Dess and Picken, 2000).

Empowered leadership makes use of the human instincts, for example, man has a basic desire to be lazy. The leader may deal with this matter as a constructive or destructive behaviour. Constructive laziness may be dealt with as it increases creative skills because individuals do not like to do more work than necessary. People prefer to search for the easiest ways to get jobs done. However, people are willing to work hard to achieve goals, hoping to enjoy the good life in a relaxed environment someday. Achieving goals and therefore being able to relax is a powerful motivating force (natural instinct). Empowering leaders push such motivating workforce and empower employees to achieve their hopes. They motivate their subordinates and strengthen their abilities to achieve their own aims (Shafique, 1987, p.129).

In summary, empowered leaders endeavour to empower subordinates to own and improve their own processes, retain and develop them, encourage and motivate them. In doing this, empowering leaders establish the core guiding value, bringing creative styles to strengthen the subordinates' skills, knowledge, attitudes and values. Empowered leadership seeks to loosen up an organization, utilizing the intellectual capital of all members, to create an innovative and flexible organization.

2.4.8 Long-term leadership

In long-term leadership, leaders make their visions clearer and their goals more specific over relatively long spans of time. They know what actions must be taken to stay on the right track and they are able to clearly explain their long-range views to others. They see how their plans can be extended to take into consideration the added elements of their organizations, and they can also see how their visions might be expanded beyond their current plans (Al Rashidi,

2003, p.30). The importance of long-term leadership arises from the fact that many long-term challenges face modern firms. In a changing world, these challenges may be ingrained in the roots of business and they could be only changed overtime with the persistence and resistance of long-leadership (Mumford, et al., 2000).

Moreover, long-term leaders operate in an environment that demands openness, connection, insight, and psychological maturity. In other words a much greater degree of flexibility than the traditional top-down management system is needed (Klein et al., 1998). Long-term leadership seeks to formulate a positive, as opposed to negative, code of conduct. A positive code of conduct embraces those behaviours and beliefs that are valued and rewarded by the leadership both in the long and short terms. Hunt et al., (1999) states that in the long-term, a company may be successful by looking at the incentives structure it presents to its members, but with this regard, corporate executives cannot win because they face relentless pressure from investors and analysts to maximize short-term profits. The challenges facing corporate leaders have only been magnified by waves of business scandals. In this respect, Hunt et al., (1999) discussed leadership challenges of organizations in the 21st century and concluded that leaders require leadership beyond the great hero and the transforming charismatic. They need to have the “out of the box” leadership that is characterized with a long-term view.

According to ACT (Achievement for Consulting and Training), the long-term view requires leaders to demonstrate self-awareness and the ability to manage self-identified strengths, styles and opportunities for improvement to get the maximum result from a group project. They develop and manage relationships and groups through facilitation, collaboration, and a clear division of tasks. The leaders also have to accomplish tasks using

available systems, planning and coordinating projects, and making decisions. They have to demonstrate creative problem solving skills and envisage innovative ideas by adapting to situations of continual change and providing the right solutions. Additionally, they have to take reasonable risks, and demonstrate effective communications skills with different individuals and groups (ACT, 2003, p.42).

In summary, long-term leadership maintains its commitment to the long-term objectives of an organization. The long-term leader is a visionary, having the ability to foresee the keys to long-term success rather than short-term maximization. Such leaders demonstrate self-awareness, innovative ideas and the ability to adapt. This enables them to gain maximum results in the long term.

2.4.9 Organizational leadership

Organizational leadership is about building a generative organizational culture. A generative organizational culture is the one that develops employees' capacity for contributing and learning, empowers employees, develops high trust, and results in uplifted financial viability and an uplifted sense of well being in the organization (Welch, 1999). Welch (1999) conducted an in-depth study on organizational leadership and found that organizational leaders were self-identified as practicing servants or generative leaders, having built successful internal culture among the employees, as well as thriving financially and giving back to the community. He asserted that organizational leaders:

- have a disciplined approach to their reflection, invested time and resources, gave it importance and used it frequently and regularly. They use many different kinds of reflection;
- are willing to look beyond initial assumptions and face their own individual blind spots through in-depth reflection;
- use group reflection in combination with individual reflection in making difficult decisions;
- frequently use intuition as an important aspect of individual reflection in decision making; and
- take action on their reflective insights. Reflection is used for the leader's own self-renewal in addition to the generative effects on the organizational culture.

Organizational leaders spend considerable effort in formulating and articulating the goals to be implemented. The formulation and articulation of the goals establishes the direction for change. By articulating the goals, the organizational members can buy into the goals or reject them. Al Rashidi (2003, p.31) discussed the responsibility of organizational leadership and suggested that organizational leaders should deal with four basic issues. The first issue is changing the environment. The second issue is achieving goals based on customer/client demands. The third issue is coordinating the activities of individuals and teams, and the fourth issue is maintaining the system of shared values and beliefs that drives the organization's 'culture' and determine how well the organization deals with problems of adaptation and goal attainment. Moreover, organizational leadership depends on the degree to which the leader has a positive impact on the above mentioned four issues, helping the organization to adapt more effectively, to attain goals, to get people working together

effectively in teams and between teams, and to maintain a strong set of shared values and beliefs.

Although a leader has power, power alone does not command responsive group support. The imposition of authority is not sufficient to insure employees' loyalty and acceptance of the leader's influence (Selbin, 1993, p.76). Work groups are likely to generate a structure that accords a place of some authority to emergent leaders. Smoothly functioning relationships require that this structure and its functions be understood by organizational leaders for them to be fully effective. It is very important for an organizational leadership to understand the effects of such structures and work groups (Selbin, 1993, p.76) that are characterized by:

- a) Security: Security is a prerequisite for an organization. Security needs are met through the creation of an atmosphere of leadership. Properly structured members of an organization should know what is expected and be aware of performance. Consistent discipline is needed to support the right and correct the wrong.
- b) Resistance to change: There is resistance to any change in the organization. In most cases, people resist social more than technical change. Good organizational leadership should be aware of the importance of social relations in work groups.
- c) Participation: The use of participation techniques has been proved as an important factor in organizational leadership. Employee participation in decision making, for example, makes employee responsible for their work outcomes and meets the objectives set by their leaders.

To summarize, organizational leaders build an organizational culture that increases employees' ability to contribute through developing a greater capacity for learning, and building trust. The organization leader focuses on creating the proper work environment, the achievement of goals based on customer demand, the coordination of teams, and the maintenance of shared values of the organization's culture. Organizational leaders work behind the scenes to translate the company's shared values and vision into reality.

2.4.10 Cultural leadership

Culture is a powerful force, directing people's lives and groups' relationships. Cultural values are part of a system that guides people's lives and actions. In organizations, corporate culture is a combination of the values and characteristics that define an organization. It influences the way employees relate to each other, to customers, to shareholders, and to business partners. It drives behaviours and unites employees around a shared set of values (Fairbairn, 2005). Culture and subcultures affect leadership style, performance, and job satisfaction. The leaders' task is to create a culture that integrates all individuals into a natural unity so individual actions strengthen the results of the whole or (sometimes) change the culture to insure that it promotes needed integration and harmony (Fairholm, 1991, p.81). Knowledge/culture sharing is dependent on good team working and good team working is dependent on knowledge/cultural sharing. Observing the culture of 12 boat-racing teams, Cranewell et al. (2002, pp.338 – 339) found a correlation between knowledge sharing among the team members and their overall performance. They noticed in higher performing teams, the skippers had a cultural leadership style characterized by:

- *Openness*: Individuals feel comfortable sharing their ideas, opinions and feelings because everyone is encouraged to contribute and no one is afraid to say, “I do not know”. Ideas are taken into consideration and whenever possible, implemented.
- *Leading*: Everyone is encouraged to learn new skills and to develop, including top-down, bottom-up and cross team learning. The sharing of ideas and best practice is central to the ethos of continual improvement and development.
- *Support and Trust*: The team members give full support to one another, giving time to assist colleagues in need. Trust is implicit among the members of the team.
- *No blame*: Responsibility for mistakes and errors is not apportioned to an individual because the team shares responsibility. Rather than assign blame, the team learns from its mistakes and makes appropriate changes. Accountability for mistakes and for success is shared.
- *Team cohesiveness*: The members of the team are united and there is a collective approach to working. The goals of individuals and of teams are aligned. Pro-activity is encouraged.

The above characteristics indicate that to lead a successful team, it is critical to create an environment where members share knowledge and have common values because firms that comprise people from different cultures often find it difficult to work together (Li et al., 2002). Team members need to support one another to achieve their agreed goals. Therefore it can be concluded that cultural leadership is about developing a system of values and beliefs, which permeate the organization. Such leadership is characterized by values of openness, support and trust, no blame, and team cohesiveness.

2.5 The Relationship between Leadership and Job Satisfaction

From the current study perspective, job satisfaction is a mediating factor in the relationship between leadership styles and customer satisfaction. It is important therefore to explain the concept of job satisfaction and its relationship to leadership in an organization. The next subsection provides a brief discussion of the concept of job satisfaction in an organization.

2.5.1 Job satisfaction

There are several definitions for the term “Job Satisfaction”. It can simply mean one’s attitude towards her or his job. Attitude has two components; one is affective and the other is cognitive. Yet, the concept of job satisfaction tends to be defined conceptually only in affective terms (Fabrigar and Petty, 1994, pp. 619 – 634). For example, Cranny, et al. (1992, p.1) defined job satisfaction as an affective (emotional) reaction to a job that results from the incumbents’ comparison of actual outcomes with those who are discreet (expected, deserved and so on). According to Motowidlo (1996) job satisfaction is a judgment about the favourability of one’s work environment, but such an evaluative judgment can be reflected in thought and feelings. Job satisfaction was defined also as “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences” (Locke, 1976, p.130). This definition is widely used in management literature.

To understand the concept of job satisfaction many authors have described it in terms of a set of behavioural relationships. For example, Abu Saad and Isralowitz (1992), Sari (2004), Rode (2004), Iekmann et al. (2004), Coffey (2004), and Gellis et al. (2004) have

all been interested in how satisfied people respond to the different elements of their jobs. The used a number of elements such as salary, working hours, tasks relationships, and rewards. It is helpful to know what facets of job satisfaction one should investigate and which of those facets are most likely to be predictive of negative behaviours such as turnover, absenteeism, and resignation. Many reasons can be given as answers to the question of “Why do people work?” Such answers may include; financial compensation, production of goods and services, social interaction and social status. In discussing such answers, Brief (1998, p.11) mentioned that satisfaction with each of the reasons given is salient to the understanding of a person’s decision to work, to become psychologically involved in a job or to leave it. Therefore, Brief (1998) explained the following causes and effects of job satisfaction:

- (a) the greater conformity of job characteristics to the self characterization, the higher level of satisfaction;
- (b) the greater the predictability of instrumental relationships on the jobs, the higher the level of satisfaction; and
- (c) the greater the compatibility of work requirements with that of other roles, the higher the level of satisfaction.

Moreover, there are many other interpretations of job satisfaction in organizations. For example, Halin, et al., (1985) argued that job satisfaction is a joint function of work role inputs and work role outcomes. Decreases in inputs relative to outcomes (or the opposite) decreases job satisfaction. Whereas Motowidlo (1996) argued that job satisfaction is a product of evaluative information (judging the favourability of work environment) from memory. Also, Locke (1976) focused on workers’ needs and whether their jobs satisfy those needs or not. Rosenbach and Taylor (1993) argued that one might think about a satisfying job

in both the degree to which it facilitates the attainment of those terminal values most important to a person and the degree to which it allows or encourages behaviours consistent with those instrumental values most important to a person. They explained that a job could be unsatisfactory even when it facilitates the attainment of an end because it may have required the person to behave inconsistently with an important or desirable mode of conduct. In this context, theories of motivation (Maslow, 1954; Herzberg, 1968; Vroom, 1974; Hackman and Olham, 1976) have also linked motivation factors to job satisfaction.

In brief, job satisfaction is a complex concept. It includes the attitude towards the job, and this attitude has affective cognitive components. It also includes a judgment about the preference of one's work environment. Such evaluative judgment can be reflected in thought and feelings. Job satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience. Job satisfaction, as an affective (that is emotional) reaction to a job, results from the incumbent's comparison of actual outcomes with those that are discreet or expected.

2.5.2 The significance of leadership styles to job satisfaction: A review of selected studies

Leadership styles and job satisfaction have been studied extensively. A number of studies have been published in articles in both the management and psychology literature (e.g. Butler and Cantrell, 1997; Pool, 1997; Burrows et al., 1996; Orpen and Christopher, 1994; Wilkinson and Wagner, 1993; Packard, 1995). In this section, a selected number of studies are reviewed not just to present their findings to be compared with those of this study but to

also describe the research tools and methods they used in their studies. The following are examples of such studies:

Packard (1995) examined the impact of leadership styles on the subordinates' work environment perceptions and job satisfaction in social service agencies. A sample of 105 social service agency employees, representing six agencies in western New York and North-western Pennsylvania, was selected to test the hypothesis that different leadership styles contribute to different work environment perceptions and to different levels of job satisfaction on the part of subordinates. The research participants completed the Leader Behaviour Description Questionnaire-XII, which was used to classify the leadership style of their immediate supervisor (i.e., autocratic, democratic, or laissez-faire). The Work Environment Scale (WES) was used to determine the subordinates' perceptions of their work environment. Finally, the Job Descriptive Index (JDI) was used to assess the subordinates' overall job satisfaction (measured by the job in general scale), as well as their satisfaction with supervision (reflected in scores on the supervision subscale). The results indicated that employees whose supervisors exhibited a democratic leadership style would show different work environment perceptions and significantly higher levels of job satisfaction than those with autocratic or laissez-faire supervisors. The employees whose supervisors exhibited a laissez-faire leadership style were shown to experience significantly lower levels of job satisfaction than those with democratic supervisors.

Yoho (1995) examined the relationship between the follower performance and the leader behaviour using the Consideration and Initiative Structure (CIS) within the framework provided by the Situational Leadership Theory (SLT). The Consideration dimension refers to behaviour indicative of friendship, mutual trust, respect, and warmth in the relationship

between leader and subordinate. The Initiating Structure refers to the leader's behaviour in assigning roles and relationships, trying to establish well-defined patterns of organization, channels of communication and ways of getting the job done. The study results suggested that the leader behaviours of high consideration and high initiating structure best predict the follower's job satisfaction and performance. In addition, the study findings supported the SLT principle that the follower's readiness to carry out a task does influence the leader. The findings also suggest that the follower maturity was a principal determinant of follower performance and job satisfaction. To achieve high follower performance very high leader initiating structure must support the followers who exhibit low competency and low maturity.

Robinson (1995) attempted to determine how the leadership styles of principals related to teacher job satisfaction. The study investigated the relationship between teacher job satisfaction and demographic variables. The leadership behaviours that were found to be related to teacher satisfaction included variables such as tolerance of freedom, integration, consideration, demand, reconciliation, and superior orientation. Of the 12 subscales for leadership behaviour, all but production emphasis had a significant relationship to teacher satisfaction with supervision. There was a positive relationship between teacher satisfaction with the job in general and five aspects of principal leadership behaviour: tolerance of freedom, consideration, integration, and demand. Similarly, in the education sector, Hsue (1997) examined the relationship between the teachers' job satisfaction and their perceptions of leadership practices. A survey method was used to collect data on two research instruments: the Early Childhood Job Satisfaction Survey (ECJSS) and the Leadership Practice Survey (LPS). The study found that teachers' perceptions of leadership practices were highly associated with teachers' job satisfaction and teachers' perceptions of current

leadership practices were both statistically and practically different from their ideal leadership practices.

Pollock (1998) examined the relationship between leadership style and subordinate satisfaction and performance in accounting firms. The study hypothesized that leader substitutes theory (LST) and transformational leadership theory (TLT) predict the leader's influence on subordinate satisfaction and performance. The statistical analysis reveals that employees of public accounting firms responded to leadership as follows: First, the subordinates responded positively to both contingent rewards and inspirational motivation and negatively to laissez-faire behaviours. Second, the greater a subordinate's professional orientation, the less influence his/her leader has on both satisfaction and self-oriented performance. Third, inspirational motivation positively influences both subordinate satisfaction and other-oriented performance.

Alsubaie (1997) studied the impact of managerial leadership styles on employee work context and content satisfaction of employees in the Saudi Arabian Monetary Agency (SAMA) in Riyadh, Saudi Arabia. The objectives of the study included examining the effects of the Consideration and the Initiating Structure (CIS) leadership behaviour on the levels of work content and context, and the general feeling of satisfaction by employees. Other factors, such as age, education level, marital status, length of employment, occupational status, income, training, automation, incentives, and recognition from the organization that might affect the context, content, and general feelings of employees toward their job satisfaction were also investigated. Data were collected using a questionnaire administered to employees in various departments of SAMA. Three hundred and twenty-eight questionnaires were completed and returned by the employees to the researcher. The researcher then used multiple

regression analysis to examine the significance of the independent variables on the dependent variables. The results of this study showed that the Consideration and the Initiating Structure (CIS) behaviour styles of managers, as well as recognition, had positive effects on the job context (extrinsic) and the general satisfaction of employees. The consideration leadership behaviour style, monthly income, and recognition were all found to positively affect the content (intrinsic) satisfaction of employees. However, the education level of the employee was found to negatively affect the content (intrinsic) satisfaction of employees toward their jobs.

Tinsulanonda-Title (1998) investigated the relationship between the leadership style of battalion commanders and the perceived need satisfactions of junior officers, asked each respondent to assess the leadership style of his battalion commander by completing the Leadership Behaviour Description Questionnaire (LBDQ) which rates the leadership behaviour of Consideration and Initiating Structure (CIS). The respondent was also asked to assess the battalion commander on the degrees of self-perceived need satisfaction using the Management Position Questionnaire (MPQ) which considers the need satisfaction categories of security, social, esteem, autonomy and self-actualization. The significant results of the study were that leadership styles accounted for a significant amount of variance in predicting the junior officers' self-actualization needs satisfaction.

Broadhurst (1996) examined the relationship of self-management leadership style to job satisfaction, job performance, self-esteem, self-control, leadership style preferences, and commitment of subordinates. The degree of initiating structure versus consideration behaviour of the leader was measured against each of the dependent variables. The data support the hypothesis that there is a relationship between considerate style leader behaviour

and subordinate job satisfaction, job performance, self-control, preference for self-management styles of leadership as well as self-management by subordinates, and affective and normative commitment. However, there was no support for a significant relationship between the self-esteem and continuance commitment variables and either consideration or initiating structure leadership behaviour styles.

Mathis (1999) investigated the relationship of leadership frames of departmental chairs to faculty job satisfaction as perceived by selected departmental faculty members. One hundred and seventy-two faculty members who had no administrative title and who held a full-time position as a professor, associate professor, or assistant professor at any of the five West Virginia public, Southern Regional Education Board four-year VI institutions of higher education, completed the Job Satisfaction Scale and Leadership Orientations Survey (JSSLOS). Significant differences were found between the predominant leadership frame of the chair and all three categories of the subordinate faculty member's job satisfaction. Faculty with chairs using a symbolic predominant frame expressed higher intrinsic and overall job satisfaction scores than that of faculty with chairs using any other predominant frame. In the case of extrinsic job satisfaction, both the symbolic and the human resource frames were superior to the structural frame while the symbolic frame also was superior to the political frame. This study also found significant differences between the number of frames that the chair used (frame score above the fiftieth percentile for the given frame) and all three categories of faculty job satisfaction. Faculty with chairs using multiple frames expressed higher intrinsic, extrinsic, and overall job satisfaction scores than that of faculty with chairs using either only one frame or no frame. These results indicate that both the chair's

predominant leadership frame and the number of frames that the chair uses influence job satisfaction.

Many studies have also confirmed that leadership is not the only variable affecting job satisfaction. In investigating the effects of leadership on followers, Paul (1999) asserted that such effects could not be explained by only one factor – leadership. Personality variables, job stress and cultural background also affect job satisfaction. A study by Menon (1995) investigated these variables, comparing between employees in the United States and India, found that Indians and Americans were significantly different on the personality variables and therefore in the effects on their job satisfactions. Indians were found to be external while Americans were found to be internal in terms of their Locus of Control and Work Locus of Control. Indians were found to be more collectivistic while Americans were found to be more individualistic on the Individualism-Collectivism dimension. Indians were also found to be more extrinsic in terms of Work Values while Americans were found to be more intrinsic. The relationship between Leadership Initiative Structure and Job Satisfaction was found to be significantly moderated by Locus of Control, Work Locus of Control, Individualism-Collectivism, Family Values and Extrinsic Work Values for both Indians and Americans. The relationship between Leadership Consideration and Job Satisfaction was only moderated by Locus of Control and Work Locus of Control. The relationship between Leadership Consideration and Symptoms was moderated by Work Locus of Control. In the same context, Betsinger (1998) investigated the influences of culture, leadership and role stress on expatriate satisfaction and commitment. The results of the study showed the existence of links between the role stress variables of role ambiguity and role conflict and the outcome measures of job satisfaction and organizational commitment. Overall, the results showed that

role ambiguity negatively influenced satisfaction with work, with supervision, with opportunities for promotion, with the job in general, and with commitment. Whereas, role conflict had a negative impact on employee satisfaction with co-workers and supervision.

In clarifying the importance of the moderating factors, Whittington (1998) concluded that perceptions of leadership were found to have a significant direct effect on organizational citizenship behaviours and organizational commitment but this effect is normally moderated by task characteristics and by goal setting. Task characteristics moderated the relationship between perceptions of leadership and civic virtue. Goal difficulty moderated the relationship between perceptions of leadership and conscientiousness, courtesy, altruism, affective commitment, and performance. In addition to the mediating factors that affect the relationship between job satisfaction and leadership, the employee's characteristics affect job satisfaction.

In investigating the effects of managerial leadership styles on employee work context and content satisfaction, Alsubaie (1997) found from the study of SAMA in Saudi Arabia, mentioned earlier, that the monthly income positively affected the content (intrinsic) satisfaction of employees. But he also reported that the education level of the employee was found to negatively affect the content (intrinsic) satisfaction of employees towards their jobs. Similarly, a study by Jahad (1996) found that job satisfaction was affected by gender. Male employees were less satisfied than their female counterparts, while other demographic variables such as age and previous experience did not significantly impact on the overall job satisfaction. In contrast, the study by Sheih (1999) found that males had higher job satisfaction than females, and that demographic variables explained 38.2 percent of the variance in extrinsic and intrinsic job satisfaction.

It can be concluded therefore that the relationship of perceived leadership behaviour to job satisfaction has been widely explored in much literature. Many studies found that perceived leadership behaviour correlates positively with employee satisfaction. This relationship is generally considered to be causal, but there are a lot of factors mediating the relationship between leadership and job satisfaction. Investigating the relationship between leadership and job satisfaction indicated that some leadership styles positively affected job satisfaction while the other styles did not. Leadership is not the only variable that affects job satisfaction in an organization. Accordingly, job satisfaction cannot be explained by only one factor. It is affected by many organizational and managerial variables. It is also affected by the employee's psychological, social, economic, demographic and cultural characteristics.

2.6 The relationship between leadership styles and customers' satisfaction

Customer satisfaction is a major variable in the current study which is about the relationship between leadership styles and customer satisfaction of Kuwaiti banks. As leadership styles and job satisfaction are theoretically reviewed above, the current section reviews significant literature on customer satisfaction.

2.6.1 Customer Satisfaction

Customer satisfaction means that a customer is satisfied with the cost and benefits of using a service, a commodity or goods. Cost includes money, effort and time while benefits include all materialistic, morale and spiritual satisfactions (Bazara, 1993, p.382). The importance of

studying customer satisfaction stems from its association with significant economic outcomes from organizations and its seemingly association with the extent to which organizations have fulfilled their legal obligations to customers.

Goodwill among customers, principally in the form of customer satisfaction can be attractive to an organization. Day et al. (1981) studied the immediate reaction to be expected from dissatisfying a customer and found that only 20% of Americans complain in response to dissatisfying service encounters. The study concluded that customer reaction is in most cases negligible because the majority of customers do not complain to the seller when dissatisfied with a good or a service. According to Swan and Oliver (1989), raising the “do nothing” response from customers has alerted organizational researchers that complaints are rather poor indicators of customer goodwill which under represent the true level of dissatisfaction. Another indicator of under representation is that the complaints being addressed are those to the seller, without consideration of the complaints conveyed to others (e.g., family and friends) by word of mouth. In this respect, Brief (1998, p.155) mentioned that the word of mouth is a potentially significant means of spreading goodwill (or negative attitudes) toward an organization and therefore attempts should be made by researchers to measure it even though it may be difficult. The “does nothing” response is the likely short-term consequence of customer dissatisfaction (Oliver, 1997). The potential long-term consequences of failing to satisfy customers cannot be construed as so benign. Marketing studies indicate that dissatisfied customers tend to choose between voice (complaining) and exit (switching to another supplier). Exit barriers (e.g., a monopolistic market) decrease switching and increase complaining (Andresen, 1985). Thus negative consumer attitudes (at

least in non- monopolistic markets) can be expected to lead to the loss of business, or, more positively stated in the converse, customer satisfaction promotes loyalty (Oliver, 1997).

In the marketing literature, the definition of customer loyalty is not as straightforward as one might assume. Jacoby and Chestnut (1978) and Crites, et al. (1994), showed that it is unwise to equate loyalty solely to a pattern of repeat of purchases, rather, so-called true loyalty entails repeat purchase pattern and cognitive, affective and cognitive evaluations of the product or service in question – that is, purchase behaviours plus attitudes equals “true loyalty”. It is easy to imagine purchases decoupled from attitudes. For instance, buying brand X instead of the more favoured brand Y, simply because brand Y is not available. True customer loyalty, dependent on and entailing customer satisfaction can translate into decreased profits (Andersen et al., 1994). This is because such loyalty leads to a guaranteed customer base and more accurate budgeting, more efficient strategic planning, and decreased marketing costs (Oliver, 1997).

One way of knowing how satisfied or dissatisfied customers are, as well as any potential comments or suggestions they might have, is feedback. Feedback is information about performance that leads to action for changing or maintaining performance. An important point about feedback is that it gives the customer the impression that his or her opinion and satisfaction and/or dissatisfaction really matter.

2.6.2 The significance of leadership styles to customer satisfaction: A review of selected studies

Leadership affects most aspects of an organization's operations and performance, and has direct and indirect effects on customer satisfaction (Burke and Borucki, 1995; Schneider and Bowen, 1992; Schneider et al., 1980; Schneider et al. 1992). Many studies of leadership have concluded that leadership affects employees' attitudes towards their customers. Some of those studies are reviewed in this section.

A study by Javitch (1998) tested a model of leadership effectiveness in professional service firms. The study specifically examined whether partners' leadership disposition relates to the type of influence tactics they use with clients and subordinates. It also looked at whether partners' use of these influence tactics affects the level of role conflict partners experience with clients and subordinates as well as clients' satisfaction with services provided by the partners. The study findings from the analysis of data collected from 401 partners in a professional service firm, and their clients and subordinates, supported four of these five main hypotheses. First, partners with stronger transformational leadership dispositions provided clients with higher levels of service quality. Second, partners with stronger transformational leadership dispositions used higher levels of personal power-based influence tactics with clients and subordinates. Third, partners who used higher levels of these influence tactics experienced lower levels of role conflict with clients and subordinates. Fourth, partners who used higher levels of these influence tactics were rated by their clients as providing higher levels of service quality. Finally, partners who experienced lower levels of role conflict with clients also provided higher levels of service quality to clients.

Structural equation modelling was used to test whether influence tactics and role conflict mediate the relationship between leadership disposition and client satisfaction in two proposed models. The first model, focusing on the partner's relationship with clients, was fully supported. Partners with stronger transformational leadership dispositions used higher levels of personal power-based influence tactics with clients, experienced lower levels of role conflict with clients, and provided clients with higher levels of service quality. The second model, focusing on the partner's relationship with subordinates, was partially supported. Partners with stronger transformational dispositions used higher levels of personal power-based influence tactics with subordinates, and were rated by clients as providing higher levels of service quality. Role conflict with subordinates was not, however, related to clients' satisfaction with services provided.

Similarly, a study by Burd (1998) attempted to propose and empirically test a model for leadership effectiveness in professional service firms. The study assessed the relationship between the leader's: (a) personality preferences regarding information processing, (b) transformational/transactional leadership disposition, (c) use of involvement practices, and (d) effectiveness, as measured by client satisfaction as an outcome variable. Three hundred and eighty eight (388) executive-level partners in an international business advisory professional service firm completed measures including Client Satisfaction Scale. The study was also conducted on 1,568 subordinates and 1,177 clients. The results of the study showed a relationship between greater use of involvement practices and higher levels of client satisfaction. The part of the model that shows a relationship between leadership disposition and the use of involvement practices was supported, while the part that proposes a relationship between personality preferences in information processing and leadership

disposition was not empirically supported. The results also showed a strong relationship between the partners' personality preferences and the use of involvement practices. Such findings empirically demonstrated both the link between transformational/transactional leadership disposition and the use of involvement practices and the relationship between the use of involvement practices and client satisfaction.

In this context, Bazara (2002, pp.128-129) argued that an effective leadership increases the possibilities of customer satisfaction, creates healthy organizational climate, qualified and satisfied manpower, high quality performance, high quality productivity and organizational strength. He mentioned that an effective leader develops sustainable strategies to increase revenues and reduce cost, understands the hidden levers that drive organizational success, captures tools to increase effectiveness and motivation, creates a culture that nurtures excellence and develops future leaders, increases human capital for career success, accesses the pre-eminent global network of experts, builds sustainable high performance and productivity by creating a high-performing culture, and reinforces good relationships, communication, vision, and trust. These practices and their positive outcomes increase the possibilities of customer satisfaction (Bazara, 2002, p.128).

It can be concluded that the relationship between leadership and customer satisfaction is mediated by factors relating to leadership interacting with the surrounding circumstances. It can be concluded that an effective leadership positively affects the subordinates. This positive effect is reflected in turn on organizational performance and work outcomes in general, and consequently on customer or client satisfaction. However, there are a number of moderating factors mediating these effects at different levels and in different circumstances.

2.7. Summary and Conclusion

Leadership is not just something to be added to the job of a manager, neither it is distinctly different from management. There are several qualities that describe leadership behaviour in different context; such qualities are demonstrated in leaders' styles while dealing with their subordinates. From this point of view, there are ten styles of leadership: focused leadership, communication leadership, trust leadership, respectful leadership, risk leadership, bottom-line leadership, empowered leadership, long-term leadership, organizational leadership and cultural leadership. It is important to summarize the main characteristics of these leadership styles because each one is a major variable in the current study:

1. Focused Leadership means that the leaders 'focus' on the key issues under discussion and help others to see these issues clearly. Focused leaders have clear ideas about the relative importance or priorities of different issues under discussion, concentrating only on the most important issues. Focused leadership has the ability to manage one's attention and to direct the attention of others.
2. Communication Leadership involves the use of interpersonal communication skills. Such skills enable the leader to get across the essential meaning of a message, even if this means devising some innovative, unusual ways to ensure that the idea is understood. Communication skills include the basic interpersonal communication skills of attending to both ideas and feelings, rephrasing for clarification, active listening, giving feedback, asking questions, and summarizing.
3. Trust Leadership indicates the leader's perceived trustworthiness, as shown by the willingness to take clear positions, to avoid 'flip-flop' shifts in position, and to follow

- through on commitments. The leader's reliability is assessed by the extent to which one can trust the leader to be consistent and not act in surprising or unexpected ways.
4. Respectful Leadership is expressing concern for others and their feelings. The leader has a high degree of self-regard as well as regard for others; since only when one has positive regard for one's self can one extend this to others. The leader adopts unconditional positive regard to himself/herself as well as to others, and therefore the leader's sense of how he or she fits into the organization is evaluated.
 5. Risk Leadership means that leaders are willing to take risks, not on a hit-and-miss basis but, rather, only after a careful examination of factors favouring success and failure. The leader's energy is then invested in actions to ensure success. These leaders design risks-challenges and opportunities that others can 'buy into' so that followers can participate in the leaders' vision.
 6. Bottom-line Leadership indicates effective visionary leaders who have a basic sense of self-assurance, an underlying belief that they can personally make a difference and have an impact on people, events, and organizational achievements. They are aware that people make a difference and believe that they, personally, can do so.
 7. Empowered Leadership means that the leader has the power, and he/she uses power, not for its personal rewards or to dominate others, but rather to influence tasks being done in organizations. Power and influence are the necessary means for affecting one's world and for realizing the leader's vision. This type of leadership realizes that power and influence should be widely shared, not just exerted from top levels by a few key persons. Power is used to empower others, who then use their power and influence to help create the leader's vision.

8. Long-term leadership is able to think clearly over relatively long spans of time. The leaders' visions, and the more specific goals along the way, are not short-term 'to do' lists but are instead conditions that they are committed to over the long run. They know the best actions that should be taken to stay on the right track, they are able to clearly explain their long-range views to others, they see how their plans can be extended to take into consideration added elements of their organizations, and they can conceive of how their visions might be expanded beyond their current views and plans.
9. Organizational Leadership is about achieving goals based on customer and client demands and coordinating the activities of individuals and teams within an organization. These leaders determine how well the organization deals with problems of adaptation, goal attainment, and co-ordination. Organizational leadership depends to a large extent on the degree to which the leader has a positive impact on the coordination of activities, helping the organization to adapt more effectively to the achievement of organizational goals.
10. Cultural Leadership is about creating an organizational culture that is based on clear and identifiable set of norms and values. Leaders aim to establish and maintain a strong set of positive shared values that drive the organization's performance towards attaining goals.

Therefore it argued is in this chapter that leadership styles are significant to customer satisfaction. An effective leadership positively affects the subordinates. Positive effects are reflected in the products, services, performance and work outcomes in general and consequently on customer satisfaction. It is also argued that there are moderating factors

mediating between leadership effects and customer satisfaction. The relationship of perceived leadership behaviour to job satisfaction has been asserted perceived leadership behaviour correlates positively with employee satisfaction. This relationship is generally considered to be causal but there are a lot of other factors mediating this relationship, as explained from the review of selected studies.

Hence, it is concluded that effective leadership, regardless of the style adopted, is necessary to Kuwaiti commercial banks that are working in an open and complicated free market economy. Customer satisfaction has become the core element of the commercial banks. An effective leadership is necessary to manage opportunities and challenges with the aim to attract customers, gain competitive advantage and develop the national economy, as explained in the next chapter.

CHAPTER 3

KUWAIT SOCIO-ECONOMIC BACKGROUND AND A REVIEW OF THE KUWAITI BANKING SECTOR

3.1 Introduction

This chapter aims to provide a brief explanation of Kuwait's economy and social structure in order to define the context in which the study has been carried out. It also attempts to define the Kuwaiti Commercial Banks as a financial institution that started in Kuwait during the middle of the 20th century. The chapter is made of three main sections: First, a brief definition about the state of Kuwait and its socio-economic, cultural and political background; second, the formation and development of Kuwaiti Commercial Banks; and third, the main characteristics of the work environment of commercial banks and their major activities in playing a significant role in the development and growth of the economy.

3.2 Kuwait socio-economic, cultural and political background

Kuwait lies on the southern west of the Arabian Gulf, from the south and the southwest is Saudi Arabia while from the north and the northwest is Iraq Republic. The total area of Kuwait is 18,000 km square (about 7000 sq. miles). Kuwait also possesses a group of small islands in the Arabian Gulf. The islands are free from inhabitants while they have some

simple economic and touristic activities. The state of Kuwait was formed from the tribes who came from the Arabia, Iran and Iraq. In 1766 the state of Kuwait was formed and the tribal leaders elected Sheikh Sabah as its ruler. Al Sabah family has been the ruling family of Kuwait until now. The Kuwait state was under the British guardianship from 1899 until its independence in 1961.

Kuwait is an Islamic Arabian state. It is a member of the Arab League and of the United Nations. It has a legislative Council whose members are elected every five years. There is a permanent constitution that works to balance authority, and confirms the principals of liberty, justice and equality. The constitution confirms that the people of the nation are the origin of authority (State of Kuwait, 1962). The population of Kuwait was about 2.4 million in 2003, distributed between the citizens who were about 39% and the foreigners who were about 61% (Ministry of Planning, 2003, p.42). The gross national product in 2001 was about 34.3 billion dollars, and the general personal income from the national income was about 15.3 thousand dollars (Ministry of Planning, 2003, p.596). Kuwait has gone through great economic and social changes since the middle of 1940s, and those changes have affected all aspects of economic and social life (Al Falah, 1989).

In August 1990 the Iraqi troops invaded Kuwait causing great economic destruction, various psychological and social problems (Al-Rashidi, 1997). Domestic production came to a stop during the invasion. It is estimated that the financial burden on public resources reached \$23 billion during the time of the occupation (this includes the contribution to the cost of "Operation Desert Storm," cost of maintaining Kuwaiti population outside of Kuwait, and aid to countries that supported the Kuwaiti cause) (IBC, 1991).

The State of Kuwait was liberated from the Iraqi occupation in February 1991.

The three most important tasks, after the liberation, were the creation of a security framework, the provision of basic facilities of water and electricity, and the provision of a flow of basic means of subsistence (food products and public services) for everyone to access. The stage of recovery included having infrastructure facilities to regain their normal position. Oil fires had to be extinguished, and oil production had to achieve pre-occupation production levels. These were the largest of the necessary steps to be taken to return Kuwaiti economic life back to normal. No final assessments of the damages and losses to the economy were ever done. The greatest financial loss was through the loss of GDP, which occurred from August 1990 until March 1991 (IBC, 1991).

3.2.1 Characteristics of the socio-economic environment

There are distinguished characteristics of the socio-economic environment in which the Commercial Banks of Kuwait work. These characteristics are: dependence on the oil revenues; variety of structure and workforce; economic freedom; the increase of consumption; and the tendency towards reform. These features are explained below:

3.2.1.1. Dependence on the oil revenues

The Kuwaiti economy depended on trade and diving until around the middle of the 1940s, when Kuwait started the export of oil. The first tanker of Kuwaiti oil was exported in 1946. Ever since that time, oil has been the main source on which the economy of Kuwait has depended (Mahmod, 1969, p.100). With the appearance of oil, new industrial and economic activities have become possible, such as oil refinement, oil transformation, transportation of oil, and construction (Mahgob, 1971, p.210). Therefore, the scope of dealing with foreign

companies expanded both in the field of oil industry and the industries derived from it. The economic policy of the State of Kuwait was formed specifically in light of the increasing oil revenues. During the financial year of 2003-2004, the general budget of the State was about 6.93 billion KD; the revenues of the oil were 6.15 billion KD, this equal 89% of the total revenues. The revenues of the non-oil represent 11% of the total revenues of the State of Kuwait. (Ministry of Finance, 2004). The difference, 770 million KD, were non oil revenues from taxes, fees on trade, taxes on the net income and profits, fees on change of ownership, and fees of enlisted revenues such as revenues from personal services, transport services, financial stamps, and the sales of lands and estates.

3.2.1.2 Variety of structure and workforce

The present Kuwaiti economy has seven main sectors, which are: banking, insurance, investment, estate, industry, services, and food sector. About 93% of companies and institutions work in these seven sectors (KSE, 2002, pp.2-3). The Kuwaiti economy depends on the foreign (expatriate) and national workforce. The total workforce is about 1.3 million, constituting 56.5% of the total population of 2.4 million (Ministry of Planning, 2004, p.36). It should be noted that 91.4% of the Kuwaiti workforce are working in the governmental sector. Most of these work in traditional administration jobs. Some of the foreign employees work in the governmental sector but the majority works in productive and technical jobs. The private sector depends to a great extent on the foreign workforce because Kuwaiti citizens do not prefer to work for private sector employers. They prefer working in the governmental sector because it has the advantages of high salaries, long holidays and many allowances and benefits (Ministry of Planning, 2003).

3.2.1.3 Economic freedom

Kuwait is among the countries that have a free market economy. The government does not prevent or restrict private ownership. The government interferes only to arrange the private sector activities with the aim to encourage it to grow and thrive. The economic policy of Kuwait has been integrated into the world and the universal economic circumstance (CBK, 2001, pp.56-63). The government controls the oil and the other main revenues in the economy, while the private sector invests huge amounts in vital fields like tourism, properties and services. The Commercial Banks are owned by the private sector.

Moreover, there is no personal income tax levied either on salaries or on income from commercial activities. Corporate income tax is currently levied only on the income of foreign companies from their operations in Kuwait with the exception of the Arab Gulf States' companies. All local shareholding companies are required to make annual contributions to the Kuwait Foundation for the Advancement of Sciences (KFAS) that is set at 1% of net profits. In addition, listed Kuwait companies are required to contribute 2.5% of their net profit to a National Labor Force Fund. Companies are also required to make social security contributions with respect to Kuwaiti employees. There are no other taxes of any sort (NKB, 2003, p.24).

3.2.1.4 The abundance and the increase of consumption

The available data refers to the increase of private consumption, which is the amount each individual consumes, to about 49% yearly during the period 1995-2002. Annual growth rate for private consumption in Kuwait during that period exceeded three times in comparison with a group of advanced countries. It exceeded four times in comparison with the group of

countries of the European Union. In comparison with the Arab Gulf States, the rate of the Arab Gulf States' private consumption was about 41% during 2000-2002, while Kuwait's reached 50.2% (Ministry of Planning, 2003). What justifies the rapid increase of consumption for the Kuwaiti citizen is that the growth rate in salaries exceeded the rate of inflation. What the Kuwaiti employee gets from his or her job is enough to keep the high standard of living at present. From 1993 until 2002 the minimum rate of the annual inflation reached 1.6% while the minimum rate of the annual growth in the salary of employee reached 2.6%. The average daily expenditure of the individual Kuwaiti citizen on goods and services was about 135 KD in 1986-1987, and in 1999-2000 it reached 192 KD (Ministry of Planning, 2003).

The major reason for the emergence of luxury in the Kuwaiti society is the presence of an effective social welfare system. The Kuwaiti constitution affirms that the State has to take over the social insurance, medical care, education, and work opportunities for all citizens free of charge (State of Kuwait, 1962). The system includes free education until the university stage, free medical care, free public services, guaranteed jobs for every citizen, and free housing for low-income citizens. The State supports the vital services needed for living like electricity, water, telecommunications, gas, transport, and nutrients food supplies like milk, rice and bread. The government does not impose any tax on personal income, private ownership, heritage or purchases.

3.2.1.5 The tendency towards reform

During the period after the discovery of oil, Kuwait changed from a small emirate with limited sources into a state with high income. Because oil is publicly owned, the public sector

grew rapidly as the main engine for the national economy. The private sector however, has witnessed limited growth due to the limited financial, administrative, and technical capacities. Its contribution to the national economy decreased and it became limited to consumption sectors. Without the spending of the public sector, there were no activities with high additional value from the private sector (Economic Association, 2002, pp.47-48). To face that problem, many scenarios appeared for the economic reform concentrating on the necessity to acknowledge the policy of privatization. It was accompanied with the carrying out of other procedures such as control of expenditures, increase in the non oil revenues, liberation of the market, opening of the door of competition from the private sector and eliminating barriers of development (State of Kuwait, 2002). However the carrying out of those procedures were incomplete. The government was not able to reduce spending because of the expansion in the public projects and activities. The government could not reduce the expenditures of the first clause in the budget (salaries-wages) due to the continuation of the process of employing citizens in the governmental sector. It was impossible to reduce the financial merits because of pressure from both the National Assembly and public opinion (Al-Badr, 2004).

3.3 Commercial banks in Kuwait

This section provides a brief explanation of commercial banks in Kuwait, their formation and development, their organization and structure, their main activities, and their work environment. It also includes a discussion of the philosophy and strategy behind the recent decision to allow foreign banks to work in Kuwait and the new regulations governing the operations of Islamic banks.

3.3.1 The formation and the development of commercial banks

The formation of the banks in Kuwait dates back to February 1942, when Britain opened what was known as the British Bank for the Middle East. In 1949 some Kuwaiti people suggested establishing another bank so as not to depend on the British Bank for the Middle East but that did not happen until 1952. It is narrated that one day in 1952, a Kuwaiti merchant went to the British Bank for the Middle East to request approval for a credit of 10 thousand Roppies (the Kuwaiti currency used in that time) but the bank refused, demanding that another person guarantees that merchant. The merchant was not pleased with the request and persuaded other merchants for the need to have a national bank. A group of merchants gathered and raised a petition to the High Prince of the State asking for permission to set up a national bank, giving assurances that they would provide money, employees and location for the bank. On 19th of May 1952, a royal decision was made for the opening of a national bank. On 15th of November of the same year, the National Bank of Kuwait was opened officially. It was considered a Kuwaiti shareholding company dealing with normal banking operations (Al Masaref, 2002, pp.44-48). In 1960 the Gulf Bank and the Commercial Bank of Kuwait were opened. After independence in 1961 Kuwait established its own Central Bank.

As Kuwait economy witnessed rising growth due to the flow of oil revenues the financial institutions flourished and new banks opened. In 1965 the government set up the Lending and Saving Bank. In 1971 the Bank of Kuwait and the Middle East was opened. Reflecting the strong economic relations between the state of Kuwait and the state of Bahrain, the Bank of Kuwait and Bahrain was opened in 1972. The government opened the Real Estates Bank in 1973, and in the same year, the Industrial Bank was opened. This bank

was established in order to encourage the industrial development of the country through the provision of loans and technical consultation.

In response to the wishes of clients and investors in dealing with finance according to Islamic legislation, the Kuwaiti Finance House (an Islamic Bank) was opened in 1977. It was the first Kuwaiti commercial bank to operate according to Islamic Jurisprudence (Sharia'a) in all its transactions (Al Shrah et al., 1993, p.47). As the demand for Islamic banking increased, the government issued in 2003 legislation that regulates Islamic Banking and gives approval to any commercial bank to introduce Islamic Banking. According to the law, the present commercial banks have the opportunity to open Islamic branches and to possess shares from the original of the capital not less than 15 million KD. Consequently, Kuwait Real Estate Bank turned its operations and activities into the Islamic system.

Also in response to the wishes of international and national investors, foreign banks have been permitted to work in Kuwait. In March 2001, the Kuwaiti court allowed foreign investors to set up and possess banks without having to have a sponsor or a Kuwaiti partner. It allowed foreign banks to have activities in Kuwait through branches or sub companies owned by them after the agreement of the Kuwaiti Central Bank. In February 2004 the foreign banks were given the right to open branches in Kuwait on the condition that all their employees should be Kuwaiti citizens within three years of their start of business. However, the Central Bank of Kuwait reserves the right to accept or refuse applications for the setting up of foreign banks.

3.3.2 The present situation

Currently, the Kuwaiti banking system consists of the Central Bank and ten other banks, seven of which are commercial, including the Kuwaiti Finance House. There are three specialized banks that provide specific services and products. These are: the Industrial Bank of Kuwait which is concerned with providing short-term loans for industrial purposes; The Real Estates Bank which is concerned with lending for the purpose of housing and land; and The Lending and Saving Bank which does not accept charges. Kuwaiti Commercial Banks are private properties, and some Kuwaiti families have full or partial ownership of them. These families control the possession of the stocks in these banks. The estimated total deposits of a commercial bank are about 39.2 billion U.S. dollars. The share of the person in deposits is about 16,680 U.S. dollars. There are about 194 branches of these banks. It means that there is a branch for every 11,500 inhabitants (SAP, 2004). However, there are some differences between the commercial banks of Kuwait in terms of the number of branches. There are 44 branches for the National Bank of Kuwait, followed by the Commercial Bank of Kuwait with 34 branches. The Gulf Bank has 30 branches, and the Kuwait Finance House has 29 branches. These three banks have 71% of the commercial banks' branches. The other four commercial banks (Barquan Bank, Civilian Kuwait Bank, Bank of Kuwait and Middle East, Kuwaiti Commercial Bank) have 57 branches (SAP, 2004).

The total value of the assets present in the Kuwaiti Banking system is about 18.8 billion KD (63.8 billion U.S. dollars). It ranks third in terms of importance after the banking system of Saudi Arabia and the United Arab Emirates (BFI, 2004). The National Bank of Kuwait, Kuwait Finance House, Gulf Bank and the Commercial Bank of Kuwait control about two thirds of the total assets and the clients' deposits. The National Bank of Kuwait is

considered the main player and it has advanced its position among the other banks of the Arabian Gulf. The seven commercial banks of Kuwait are considered international banks, having foreign branches where they invest a part of their excess money in the global money market. This position weakened between 1995 and 1998, but came back to strong levels in 1999. The Kuwaiti Banks have a major advantage in that they are less subject to the danger of fluctuating amounts of foreign currency deposits. Deposits of foreign currency are still being deposited at the same rates of about 15%-20% since the beginning of the 1970s (SAP, 2004).

3.3.3 The regulation of the banking sector

The Central Bank of Kuwait is the governmental organization that is responsible for the supervision of the seven commercial banks of Kuwait. It should be noted that the Kuwait Finance House was previously under the control of the Ministry of Trade, but it came under the control of the Central Bank in 2003. The Central Bank of Kuwait follows the American system in checking the positions but it follows the English system regarding concentration on profit, which is characterized by cautiousness. The Central Bank of Kuwait holds regular meetings with those responsible for the commercial banks (Al-Ansari and Talba, 1996) in to oversee their operations. The Council of the Central Bank Administration has statutory rights to take actions such as:

- Granting Commercial Banks licenses to do specific operations or specific activities.
- Employing a temporary supervisor to supervise the progress achieved by the banks.
- Charging the representative of the Central Bank to take responsibility for the administration of any bank when the bank is in a crisis for a certain period of time.

- Checking and supervising the shareholders structure of the banks (Al Ansari and Tolba, 1996).

The Ministry of Finance has the right to cancel any banking operations according to the recommendation of the council of the Central Bank Administration (State of Kuwait, 1986). In 1986 the Central Bank introduced a system for collecting debts with the aim to guarantee the deposits of the banks and to protect the rights of shareholders but the system failed because it was found to be unpractical (SAP, 2004). Also, and most significant, is that the system did not work because it was hindered by excessive bureaucratic procedures. Since then, banks have created their own systems to ensure the payment of their debtors. Some of them have for example, put obstacles such as limiting the amount the clients can withdraw from their accounts in order to protect their assets and control their cash flow.

Moreover, the Kuwaiti government adapt a number of policies since the 1986 in order to stabilise the banking system. One of the main features of such policies is capital adequacy. Since 1997, it has become mandatory for all banks to have approximate capital, which is at least 12% of the risk-weighted assets. Also, the Central Bank has put a lot of efforts into the control of the banks regarding issues like money laundering and assured procedures of assessing market risks. The Central Bank prevents bank loans from exceeding 15% of the rights of the shareholders. In comparison, the limit set by the international banks is 25%. This action limits the overall lending risk to the rate of 10% of the shareholders rights (SAP, 2004). Concerning personal loans it is not allowed for any bank to exceed the consumption loan by 12% from the deposits of the private sector (Al-Masaref, 2002).

Commercial banks in Kuwait do not grant loans in return for mortgages as this is the specific responsibility of the Lending and Saving Bank which was set up in April 2003. There were no loans for mortgages before than as all loans were for investment and commercial activities. The auditing unit of the Central Bank checks and collects the needed information concerning the loans granted to clients from the Kuwaiti banks. The unit helps by providing information for the bank administration services concerned with personal lending. It also helps in enabling the lending bank to keep up with the regulations of the Central Bank.

Concerning liquid cash, the Central Bank instructs the banks to invest at least 20% from the clients' local deposits through short-term treasury bonds, but the governmental debts bonds are not from the above-mentioned 20%. These requirements are intended to put a limit on lending and on the bank loans. The Kuwaiti Banks have to arrange their accounts according to the international accounting standards. Every bank has to present accounts to the Central Bank within three months by the end of the year. In addition, the Kuwaiti Banks have to employ external auditors to revise the accounts.

Since the beginning of January 2001 the Kuwaiti accounts criteria have changed to a great extent. When the International Accounts Standard introduced IAS 39, entitled "*The Finance Means, The Decision and The Standard*," the Kuwaiti banks began to categorize their financial accounts according to four levels in order to meet the International Accounts Standards. For example, the monetary that should be kept until the day of maturity is the available monetary for sale, the loans and guarantees issued by the company, and foreign currency. The value of open foreign currency within any bank should not exceed 15% of the shareholders' rights (BFI, 2004). The most risk concerning Kuwaiti banks lies in the US currency, as the Kuwaiti dinar is pegged to the US dollar.

3.3.4 The major activities of commercial banks

Kuwaiti commercial banks carry out the activities that are normally done by any commercial bank in the world. They provide loans and fund bids, and invest in the securities market, as explained below:

3.3.4.1. Lending and funding bids

The rate of lending is measured by the national total lending to the private sector, in relation of the gross domestic product. This rate is growing at a steady rate. The leveraged ratio loan in Kuwait is considered the highest one in the Gulf area, at 70.8% by the end of 2003. This percentage reflects the maturity of the credit environment in Kuwait. If we take into account the private sector in relation to the gross national product without oil, it reached 129% at the end of 2003 (SAP, 2004). The Kuwaiti economy witnessed this intense continual rising of the ratio since the beginning of the 1990s. This is largely due to the rescue plan declared by the government in 1992, in which the government used the public budget to pay off debts belonging to private debtors.

During the years 1999 to 2003 the monetary offer (M2), which includes cash, current balance account, deposits on demand (M1), term deposits and accounts on demand in the money market grew faster than the economic growth, but inflation was fixed. This was due to the rise in the prices of oil, the governmental expenditure, and the compensation the government received from the compensation committee of the United Nations. The expansion of the securities offer (M2) faced a partial departure from the money at the end of 2002 towards foreign investment system as a last secure resort. This was a result of the fear concerned with the Iraqi conflict. The loans offered to the private sector increased the banks

trust in the local investors and the new loans opportunities increased by the future projections of work in Iraq (CBK, 2003).

At about 40% by the end of 2003, loans to finance the retail sector represent an important part of loans to Kuwaiti banks. The average share of a Kuwaiti individual from personal loans is about \$121,000 (by the end of 2003), in comparison with \$165,000 relating to the gross domestic product (SAP, 2004). There has been a great demand for consumption of personal loans. Banks developed the means of granting retail loans and they gave a great deal of focus on their branches to improve the quality of service to keep up with the latest automatic system. This kind of loan is considered high in profit and less in risk. In fact 90% of the Kuwaiti people, who are the favourite target of the banks for granting them consumption loans, work in the governmental sector. These individuals enjoy secure employment and high income. Moreover, the personal loans are guaranteed. Normally, Kuwaiti banks grant loans in return for the employees to continue putting their salaries into the accounts of these banks and to have a Kuwaiti sponsor when granting loans to foreigners. However, the consumption loans granted to foreigners are limited.

As well as personal consumption loans, real estate loans are considered to be the main activities of commercial banks in Kuwait. The real estate market is connected with trends of the gross national product, governmental expenditure and the trends of the Kuwaiti securities market. There has been a rapid increase in the sales and in the prices of properties, mainly apartments and commercial estates. Kuwaiti banks provide loans to the real estate sector, and these loans are about 17% of the total loans presented by the banks (BFI, 2003). With the exception of Kuwaiti Finance House, the law does not allow banks to profit from

repossessed real estates. Rather, these banks have to sell the property and keep only the amount in which to settle the difference possessed as a result of settlement of debts.

It should be noted, however, that Kuwaiti banks have a problem of delinquent loans. During 2003, for instance, delinquent loans accounted for about 6.6% of the total loans presented by the Kuwaiti banks. The Central Bank of Kuwait controlled a great deal of the debts from the 1980s to the beginning of the 1990s through governmental bonds. The delinquent loans returned back to the period before Iraqi invasion are subjected to firm laws connected with cancelling the debts. The banks have to take permission from the Central Bank to cancel the whole debts from their archives.

3.3.4.2 Investment in the Kuwaiti Stock Market

The stock market in Kuwait has many activities. Its total value for the current share is about 14 billion KD returns to 110 enlisted companies by the end of 2003. There were 13 foreign companies and 8 local banks among the 110 companies (CBK, 2004). The Kuwait Stock Market is the third greatest market in the Middle East after Saudi Arabia and Turkey. Kuwaiti banks are directly liable to dangers concerned with Kuwaiti Stock Market, although they do not possess strategic shares. The commercial banks owned about 7.8% of the number of shares invested in the Kuwaiti Stock Market in 2003 (SAP, 2004). By the end of December 2003, the local securities investment was about 17% of the local bank assets (SAP, 2004). The main indication for the Kuwaiti Stock Market rose by about 100% during 2003, after a strong increase of about 39% the previous year. This increase was of great importance to the investors who were nervous following the American lead war on Iraq. In order to protect the

stock market from financial crisis, the government have introduced laws that prohibit banks from granting loans with the purpose of buying stock in an amount more than 10% of the total loans wallet, or 25% of the right of the shareholders (CBK, 2002). In fact, the Kuwaiti banking sector was not affected during the periods that witnessed great fluctuations in the stock market.

3.3.5 Liquid assets

Kuwaiti banks have huge deposits. Clients' deposits represent two thirds of the demands of the banks. The rate of the loans to the deposits of the clients reached about 72% in 31 December 2003 (SAP, 2004). The deposits are still high within the range of the limited number of clients. By the end of 2003 the rate of the loans to the deposits of the clients was about 71%. The treasury bonds to the deposits of the clients were about 22%, which is the minimum allowed by law (CBK, 2002). The restrictions imposed on consumption loans, which depend on the ratio from the deposits of the private sector and long-term money, obliged the banks to increase their competition on the deposits of the clients through granting them better deals. Also, about 30% of the long-term money was allocated to finance in the process of granting of loans to the retail sector (SAP, 2004).

In 1986, the Central Bank started to guarantee the deposits of the banks and hence the stability of the Kuwaiti dinar. However, the guarantee was discontinued in April 2004. The government related the decision to discontinue the guarantee to economic surplus, security after Kuwait's liberation, the fall of Saddam Hussein, and the wish of the State of Kuwait to open its doors to foreign competition. Presumably, now the banks are more

cautious in their credit policies and this helps to improve the circumstances to compete in the international financial market (Al-Shall, 2004).

3.3.6. Profits

By international standards, Kuwaiti banks make high profit margins. The total profit in 2002 was about 320 million KD. The whole of commercial banks distributed 193.2 million KD to their shareholders. This constitutes 63.2% of the total profit of the sector (SAP, 2004). The Research Department of Bayan Investment Company conducted a study on the performance of the Kuwaiti banking sector during 1999-2003. The following table shows some the findings of that study:

Table 3.1: Net profit, annual growth and compound development ratio of Kuwaiti banks 1999-2003

Year	Net profit (Million. KD)	The annual growth ratio %	The compound development ratio %
1999	170.3	-	15.7
2000	214.6	26.0	
3001	242.1	12.8	
2002	244.62	1.0	
2003	305.7	25.0	

Source: Bayan Investment Company, 2004

The table above shows that the compound growth rate of Kuwaiti commercial banks during the five years reached about 15.7%. It is also clear that the commercial banks achieved a higher growth rate during 2000. The total net profit reached 214.6 million KD, a rate of growth of 26%. In 2001 the commercial banks achieved additional growth, but at about half of the rate of the year 2000. The net profit growth did not exceed 12.8%. The year 2003 is considered to be the golden year to the commercial banks, as they benefited from what happened in the region. A study the BFI (2004) concluded that the banking sector succeeded in the pervious five years to achieve a continued growth. The National Bank of Kuwait occupied the first place, followed by the Gulf Bank, Burkan Bank, The Commercial Bank of Kuwait, Kuwait and Middle East Bank, and lastly Kuwait Finance House.

A 2003 banking study (*El-Qabas* Daily, Issue no. 10915, on 30/10/2003, p. 27) showed that Kuwaiti banks differed in terms of growth and profits. Some banks have sustained increasing growth and profits, while others have been swinging between profit and loss. Four Kuwaiti banks recorded profit increases in the third quarter of 2003, compared to the first and second quarters. Three other banks recorded marked decrease as shown in Table 3.2. The table clearly shows a decrease in the profits made by CKB, GB, and BB within the third quarter of 2003, compared to the first quarter of the same year. Profits of NBK during the third quarter amounted to KD 31.3MM, 5% and 9% higher than the second and first quarters respectively. Profits made by GB in the third quarter amounted to KD 12.5MM, 1.6% and 1% less than the second and first quarters respectively. KCB recorded the lowest profits compared to other Kuwaiti banks during the third quarter. It made KD 7.6MM in profits, 1% and 25% less than the second and first quarters.

Table 3.2: Profits of Kuwaiti Banks, Jan-Sep 2003 (Million KD)

Banks	Third Quarter	Second Quarter	First Quarter	Differences between Third and Second	Differences between Third and First
NBK	31.326	29.813	28.737	5.08	9.01
GB	12.535	12.746	12.667	-1.66	-1.04
KCB	7.610	15.463	10.178	-50.97	-25.23
CKB	6.374	5.799	5.846	9.92	9.03
BKM	--	5.424	4.441	---	--
REB	4.691	3.928	3.025	55.05	19.43
BB	5.178	5.255	3.032	71.08	-1.29
KFH	12.687	12.211	3.655	-7.09	3.90

(Source: *El-Qabas* Daily, Issue no. 10915, on 30/10/2003, p. 27)

The REB made KD 6.7MM profits in the third quarter of 2003, which is 19.43% and 55% higher than the second and first quarters. The BB made KD 5.2MM profits in the third quarter of 2003, that is 1% less than the second quarter, but 71% higher than the first. The KFH made profits that amounted to KD 12.7MM in the third quarter of 2003, which were 3.9% higher than the second quarter, but 7% less than the first (El-Qabas Daily, Op cit). Notably, BKM did not announce its profits during the third quarter of 2003.

Upward growth of profits reflects the ability of the bank to deal with adverse circumstances through the application of flexible strategies that could support sustainable growth (Seef, 1993). The 2004 report of the EBG (Economy and Business Group) on the top

100 Arab banks in 2003 (EBG, 2004). The report was in agreement with that of the annual meeting of the IMF held in Dubai in September 2003, which stated that from Kuwait only NBK ranked in the sixth position among the top ten Arab banks. The report also shows that the Kuwaiti banking system ranks fourth, among the other Arab banking systems, in terms of total funds. The first three positions were occupied by Saudi Arabia, United Arab Emirates and Bahrain. Further, the Kuwaiti banking system was ranked fifth in terms of assets and third in terms of profits among the other Arab banking systems (*El-Qabas* daily, 2003, p.18).

3.4 Summary and conclusion

The Kuwaiti banking system consists of the Central Bank and the ten banks among which seven are listed as commercial. Kuwaiti commercial banks are under private ownership with total deposits of about 39.3 billion dollars. The share of a single person from these deposits is estimated at 16,680 dollars. There are 194 commercial bank branches, which means that there are 11,500 inhabitants for one branch. The total assets for the Kuwaiti Banks are estimated at 18.8 billion K.D (53 U.S. billion dollars). The Kuwaiti commercial banks have a share in the international banking market as they invest in banks and have branches in other countries.

Kuwaiti commercial banks have been making high profits because of their benefit from low labour cost, government protection, increasing investments, and high clients deposits. They have also increased the standard of quality of their goods and services, and paid more attention to the use modern technology in banking. Today all Kuwaiti banks prepare their accounts according to international banking standard, and they are regularly audited by internationally recognised agencies and banking firms. Since the 1980s, the

Kuwaiti banking system, in general, has witnessed developments in their operations and structure. For example, the recent decisions to allow foreign banks to work in Kuwait and to allow any commercial bank to introduce Islamic banking are the most important developments creating new challenges for the management of the banks. After this review of relevant literature the next chapter will be devoted to the explanation of the methodology used in this study.

CHAPTER FOUR

THE STUDY METHODOLOGY

4.1 Introduction

This chapter explains the method that was followed to investigate the relationship between leadership styles and customer satisfaction of Kuwaiti banks. It is divided into five sections: the design of the study; the study samples; the study tools; data collection; and data processing. Regarding the study approach, a quantitative approach was used because it enables the attainment of information that is needed to meet the study aim and objectives. Regarding the study samples, the chapter clarifies the study population, sampling frames, and samples sizes. Two samples were used; the first sample represents the customers of Kuwaiti banks while the second sample represents the employees of Kuwaiti banks. The size of each sample was 50 customers and 50 employees from each one of the seven Kuwaiti commercial banks. The total was 350 customers and 350 employees. Both samples were selected according to specific criteria to ensure accuracy of the obtained data. Two scales were used; the first scale measures leadership styles and job satisfaction while the second scale measures customer satisfaction. The scales have been tested elsewhere and have considerable reliability and validity. Finally, the chapter clarifies the process of data collection in accordance to the study topic and objectives. This analysis of data was based on an updated version of the Reddin's Management Style Diagnostic Test (1987). The chapter ends with a brief conclusion on the study methodology.

4.2. The approach of the study

Several studies (for example Patton, 1990; Berleowitz, 1996; Bickman et al., 1998; Van Aeker et al., 2004; Olejnik and Algina, 2003; Van Ackeretal, 2004; Sutton and French, 2004) explained the different approaches and procedures of doing research. It is argued that a research approach is about organizing a research activity in ways that most likely to achieve the research aims (Berkowitz, 1996). It is primarily concerned with a chosen paradigm based on the relation between data and theory (Bickman et al., 1998). It involves specifying the methods and techniques that should ideally be adopted in conducting research. According to Patton (1990), a research design is intended as a way of order and control to clarify the basic assumptions underlying the choice of such design. In other words, a research approach reflects the application of the principles and procedures leading to answer the research question (Sutton and French, 2004). A research approach is determined in accordance with the subject matter of the study, its objectives, and the nature of examined variables. Hence, the approach of the current study is based on a quantitative research approach because it enables to get information on a large scale. The advantage of using such approach, as stated by Patton (1990, p.14), is that “it is possible to measure the reactions of a great many people to a limited set of questions, thus facilitating comparison and statistical aggregation of the data”. By contrast, “qualitative methods typically produce a wealth of detailed information about a much smaller number of people and cases. This increases understanding of the cases and situations studied but reduces generalizing ability” (Patton, 1990, p.14). The current study is designed to obtain data from a large number of customers and employees of Kuwaiti banks. Such data require an advanced statistical processing

system to meet the study aim regarding the relationship between customer satisfaction and leadership styles considering the mediating variables.

4.3 The study samples

There are basic issues to be considered when selecting the study samples, primarily, when identifying the sample population, the appropriate sample, and the method used in selecting the study sample (Fiedler, 2000; Fiedler et al., 2000; Reis and Gable, 2000). Regarding the identification of a target population, Nisbet (1970, pp.25-30) recommended that a "sample must be chosen so as to be representative of a carefully defined population". He highlighted three important aspects of sampling: the definition of population, the size of the sample, and the need to obtain a representative sample. For the purpose of the current study, the population includes two groups; the first is the customers of Kuwaiti banks while the second is the Kuwaiti banks employees. Regarding the sample size, Bryman and Cramer (2000, pp.103-104) pointed out that there is no point in working out an ideal sample size, it is determined according to the constraints of time and resources, so that decisions about sample size must always recognize these boundaries considering the study aim, level of analysis, and amount of non-response. The size of samples differs from one study to another (Mahrous, 1990, pp.14-15). According to Emery and Cooper 1991, pp.240-282), "a sample should bear some proportional relationship to the size of the population from which it is drawn. It is not true to view a sample should be at least 10 percent or more of its population, the absolute size of the sample is much more important than its

size relative to the population. How large a sample should be is a function of the variation in the population parameters under study and the estimating precision needed by the researcher. A sample of 400 may be appropriate in some cases, while more than 2000 is required in other circumstances, in another cases, perhaps 40 is called for”.

In the current study, the sample size was determined to be 50 customers and 50 employees from each bank of the seven Kuwaiti commercial banks. The study was conducted on seven Kuwaiti banks which are: the National Bank of Kuwait (NBK), the Gulf Bank (GB), the Kuwaiti Finance House (KFH), the Burqan Bank (BB), the Civilian (Al-Ahli) Kuwaiti Bank (CKB), the Kuwaiti Commercial Bank (KCB), the Bank of Kuwait, and the Middle East Bank (BKM). As the study was conducted on 7 banks, the total subjects are 350 customers and 350 employees. The samples sizes were determined by these numbers for three reasons; the first reason is that the sample is considered big if its size is 30 subjects or more , such size allows an in-depth statistical analysis giving relatively accurate outcomes (Abo-Hatab and Sadeque, 1991, p.67). The second reason is that many other similar studies have used less than 300 respondents. For example, the study by Schneider et al. (1998) had a sample size of 200 respondents, the study by Kim and Moon (1998) had 233 respondents, and the study by Ganesh et al. (2000) had 134 respondents. The third reason is that most of the experts and scholars consulted thought that 50 employees and 50 customers per bank were enough to get the needed data to meet the current study objectives.

The sample groups of the current study were chosen to be equal in the number of subjects because the study includes comparison among Kuwaiti banks regarding leadership styles and customer satisfaction. Comparison is relatively accurate if it is between groups with equal or

near to be equal in numbers (Mahrous, 1990, p.32). From a statistical point of view it is not accurate to compare between groups that are too different in numbers (e.g. the first group is 100 subjects while the second one is 20 subjects). Each of the two samples is explained below.

4.3.1 Sample of bank employees

The sample of bank employees was selected according to specific criteria to ensure accuracy of the obtained data that could be provided. Such criteria are important to the study because they ensure that the sample includes subjects with characteristics demonstrating variables which may affect the employees' perceptions of their managers as well as their job satisfaction. Criteria of selection include that the employee should have at least two years in position at his/her division or department at the bank; and the employee should be known for his/her punctuality at work. The sample from each bank includes employees from all its branches, not from just one branch or even some branches only. It also includes employees from various bank divisions and departments, different age groups, educational backgrounds and job categories. Personal characteristics of the employee's sample were registered and calculated before data analysis in order to check the subjects' distribution according to the variables of gender, age, education, marital status and income. Such procedure is essential to assure that each category contains enough subjects as well as to assure the balanced distribution of the subjects within and between variables. The sample distribution is shown in the following table:

Table 4.1: Distribution of the Banks Employees Sample

Characteristics		N.	%
Gender	Male	198	56.6
	Female	152	43.4
Age	Less than 30	200	57.1
	30 or more	150	42.9
Education	Below university	107	30.6
	University or higher	243	69.4
Marital status	Bachelor	148	42.3
	Married	180	51.4
	Other	22	6.3
Income	Below KD 500	163	46.6
	KD 500 or more	187	53.4

With the exception of the marital status variable, the sample of bank employees includes considerable groups within each category. As for the gender, the percentage of males in the sample was 56.6%, while the females 43.4%. As for the age, the majority of the sample 57.1% was below the age of 30. Notably, the ages of the sample range from 22 to 46, with a mean of 29.7 years and a standard deviation of 5.2. As for the educational background, the table shows that about 70% of the sample has undergraduate or postgraduate education. As for marital status,

the majority (51.4 %) of the sample is married. The other 6.3% (Others) includes those who are divorced and widows. Lastly, as for the monthly income, 53.4% of the sample belongs to the category whose income is KD 500 or more, whereas 46.6% belongs to the category whose income is less than KD 500 (KD=3.31 US Dollar). It is worth mentioning here that the incomes range from KD 200 to KD 3000, with a mean of 558.4 with a standard deviation of 365. Again, the sample is equally distributed among the above-mentioned seven banks, 50 employees from each.

4.3.2 Sample of bank customers

As it was mentioned earlier, the customers' sample includes 350 respondents, 50 from each of the above-mentioned Kuwaiti banks. The respondents were selected according to specific criteria in order to ensure accuracy of the data. Such criteria are: The customer should have at least three years of dealing with the bank. In completing his/her bank transactions, he/she goes personally to the bank and deal directly with its employees. There are customers who depend entirely on ATMs and may not enter the bank or deal with bank employees for years. This category of customers has been excluded because they would not give accurate opinions on the aspects that would reflect their degree of satisfaction with their respective banks. The sample of each bank was selected from the various governorates of Kuwait to ensure that it includes customers dealing with all the branches of the respective bank. Additionally, the sample deliberately includes both male and female customers, different age groups, educational backgrounds, and

job categories. This is based on the assumption that the characteristics of customers may have an influence on their degree of satisfaction with their banks. Table 4.2 below shows the profiles of the banks' customers' sample:

Table 4.2 below shows the profiles of the banks customers sample in terms of gender, age, education, job, marital status, governorate of residence, and the length of having dealt with the banks. Male customers represent 53.7% of the sample, while female customers represent 46.3%. About two thirds of the sample is 30 years old or older. As for the educational background, those with university education represent 37.1%, while those below university education represent 62.9%. The table shows equal distribution of the sample between those working in the government sector and those working in the private sector. As for the length of being with the banks, the table also shows almost equal distribution between those who have been dealing with their banks for less than five years and those who have been dealing with their banks for more than five years. In terms of marital status, the majority of the respondents were married (55.1%), the bachelors represent 34.3%, and the widows and divorced represent 10.6%. In terms of governorate of residence, the table shows that the distribution of the percentage ranges from 15.7% to 17.7% for each of the six Kuwaiti governorates.

Table 4.2: Distribution of Bank Customers Sample

Characteristics		N	%
Gender	Male	188	53.7
	Female	162	46.3
Age	Below 25	117	33.4
	From 25 to 50	188	53.7
	Above 50	45	12.9
Education	Less than Medium	79	22.6
	Medium or Secondary	141	40.3
	University	130	69.4
Job	Government sector	175	50
	Private sector	175	50
Marital status	Single	120	34.3
	Married	193	55.1
	Other	37	10.6
Length of dealing with the bank	Less than 5 years	173	49.4
	From 5 to 10 years	93	26.6
	More than 10 years	84	24
Governorate of residence	Capital	62	17.7
	Hawalli	55	15.7
	Al-Farwaneya	60	17.1
	Al-Ahmadi	61	17.4
	Al-Jahra	57	16.3
	Mubarak Al-Kabir	55	15.7

Given the above, it could be clearly seen that from the first sample (Banks employees) data on leadership styles and job satisfaction could be obtained, while from the second sample (Banks customers) data on customer satisfaction could be obtained. By combining and analyzing the data collected from these two samples, it was possible to establish the relationship between customer satisfaction and leadership styles, while considering variables mediating this relationship.

4.4 The study tools

The study tools or techniques for the current research were designed in the light of the subject matter and objectives of the study, and in compliance with the principles of designing research methods, measures and scales. Within this framework, relevant literature and methodologies were reviewed (Abo-Allam, 1999; Gilbert, 1993; Bryman and Cramer, 2000). The study includes two major variables and one mediating variable. The two major variables are: leadership styles and customer satisfaction while the mediating variable is the employee's job satisfaction. The study tools were designed in a manner that would allow the measuring of these three variables. Accordingly, two scales were used; the first one measures leadership styles and job satisfaction, and the second measures customer satisfaction. The two scales include, besides items/questions, the demographical characteristics of the interviewees, being independent variables according to which the interviewee's responses on the scales may vary. The two scales are explained below.

4.4.1 Leadership Styles and Job Satisfaction Scale

The leadership style and job satisfaction scale aims to generate data on job satisfaction of Kuwaiti banks employees and leadership styles of their managers. The following is an explanation of such scale regarding content, reliability and validity.

4.4.1.1 Content of the scale

The scale includes two dimensions (sub-scales) and personal data. Items of each dimension were selected as follow:

First Dimension: This was developed from reviewing the literature on job satisfaction measures. Some of the literature reviewed was foreign-oriented (Usharsee and Chandraiah, 1990; Smith and Bourke 1992; Staples and Higgins, 1998; Levine, 1999) while the other was Arab-oriented (Al-Berkawy, 1979; Abu Saad and Isralowitz, 1992). Moreover, studies that specifically measured job satisfaction in Kuwaiti organizations were also reviewed (Askar, 1983; Eeisa, 1983; Shereef, 1983; Abdul-Khalek, 1982; Badr, 1983; Al-Hanbally, 1983; Al-Sarraf, 1994). Unfortunately, there is no literature on measuring job satisfaction in Kuwaiti banks. All the available literature is on the workers in other fields such as teachers and academic staff of Kuwait University. For example, Al-Rashidi (2002) designed a scale measuring job satisfaction of social development office workers. Except for Al-Rashidi (2002) and Al-Sarraf (1994), the other Kuwaiti oriented scales, which measure job satisfaction, were not tested regarding validity

and reliability. However, through reviewing the relevant literature, discussing and interviewing academics and experts in banking industry, the primary content of the current scale was formulated.

The primary formula of the scale was pilot tested through interviews with ten of the bank employees. It was also discussed again with experts and necessary modifications were made (e.g. wording, order of items, measuring aspects). In its final form, items were formulated to measure aspects that were common in job satisfaction scales of Kuwaiti society. Such sub-scale includes 30 items, testing the degree of bank employees' job satisfaction in relation to six factors: Salary; Working hours; Management; Professional benefit; Work relations; and Physical work environment. The items were equally divided – five items for each factor relating to bank employee satisfaction. Each item has five response options: not satisfied, difficult to determine, satisfied to some extent, satisfied to moderate extent, and satisfied to over moderate extent. These five responses have quantitative values ranging from 1 to 5 respectively and reflecting the degree of satisfaction. The respondent is required to select for each item only one response. The score of each factor ranges between 5 and 25 that is because each factor is measured through five items and the score of each item ranges between 1 and 5. As the scale includes 30 items, its total score ranges between 30 and 150, high score reflects high satisfaction and vice versa.

Second Dimension: This was confined to measuring leadership styles at the banks as perceived by the employees. Scales of Leadership styles were explained in some literature (Shashkin and Burk, 1990; Yukles and Lepsinger, 1990). There are several scales measuring leadership behaviour and styles such as: Leatherman Leadership Questionnaire (LLQ); Leadership Reports

(LR); Leadership Effectiveness Survey (LES); Exploring Leadership Skills (ELS); Managerial Practices Survey (MPS); and Leadership Behaviour Questionnaire (LBQ). From the review of these scales, the appropriate scale from measuring the ten leadership styles reviewed in the last chapter was formulated. The scale was made of 50 items, 5 items for each leadership style. Each item demonstrates one characteristic of the style. Responses on the scale items were: not applicable, difficult to determine, applicable to some extent, applicable to moderate extent, and applicable to a great extent, having quantitative values 1, 2, 3, 4, 5 respectively. As the scale includes 50 items, its total score ranges from 50 to 250 and as each leadership style is measured through 5 items, the score of each style item ranges from 5 to 25. The respondent had to select only one response on each item that expresses his/her opinion (i.e. whether this mode of behaviour applies to his/her direct manager and to what extent.) In addition to items measuring job satisfaction and leadership styles, the scale includes the personal data as independent variables including gender, age, education, marital status and income.

4.4.1.2 Reliability of the scale

The reliability of the scale was established by two different methods; Test-Retest and Internal Consistency by Cronbach's Alpha as follow:

Test-Retest

The scale was applied to a sample of 43 employees from all Kuwaiti banks. After two weeks, the scale was applied again to the same sample. In the second application, interviews were not conducted with eight employees, and as a result the sample was reduced to 35 participants.

Using the SPSS, data was entered into the computer and was statistically processed. The correlation coefficient between the first and second applications was calculated, and it was established that the scale had a reasonable reliability, as shown in Table 4.3 below.

It is evident that there were high correlations between the first and the second application (notably, all correlation coefficient values are significant at zero level [$P = 000$]). At the level of overall job satisfaction, the correlation coefficient between the first application and the second application is 0.963. As for the dimensions of job satisfaction, correlation coefficients range between 0.898 and 0.986.

At the level of overall leadership styles, the correlation coefficient between the first application and the second application is 0.932. As for the styles of leadership separately, correlation coefficients range between 0.758 and 0.945. For example, the correlation coefficient between first application and second application is 0.898 regarding the empowered leadership. It is reduced to 0.758 regarding the organizational leadership. At the level of the scale as a whole, the correlation coefficient between the first application and the second application is 0.935 indicating that the scale, in general, has a high degree of reliability.

Table 4-3: Correlation Coefficient between 1st & 2nd Applications For Leadership Styles and Job Satisfaction Scale (N=35)

Dimensions		Correlation
A) Job Satisfaction:	Satisfaction with salary	0.898
	Satisfaction with working hours	0.917
	Satisfaction with management	0.966
	Satisfaction with professional benefits	0.986
	Satisfaction with work relations	0.896
	Satisfaction with physical work environment	0.947
	Overall job satisfaction	0.963
B) Leadership Styles:	Focused leadership	0.945
	Communication leadership	0.869
	Trust leadership	0.872
	Respectful leadership	0.765
	Risk leadership	0.825
	Bottom-line leadership	0.857
	Empowered leadership	0.898
	Long-term leadership	0.869
	Organizational leadership	0.758
	Cultural leadership	0.889
	Total Leadership Styles	0.932
C) Total (Job Satisfaction and Leadership Styles)		0.935

Internal Consistency

To assess the significance of the items constituting the scale, Cronbach's Alpha was used. Statistical processing was completed for the data derived from the first application to the above-stated sample (N=35). The analysis showed that alpha coefficient is 0.921 for the overall job satisfaction, which is a relatively high value. The following Table 4.4 shows the values of alpha coefficient regarding the dimensions of job satisfaction:

Table 4.4: Alpha Coefficient for Job Satisfaction Dimensions (N=35)

Job Satisfaction dimensions	Alpha Coefficient
Satisfaction with salary	0.8367
Satisfaction with working hours	0.6759
Satisfaction with management	0.8047
Satisfaction with professional benefits	0.8645
Satisfaction with work relations	0.7505
Satisfaction with physical work environment	0.8353
Overall job satisfaction	0.9128

The table above shows high alpha coefficient values, ranging from approximately 0.75 to 0.86 for each dimension of job satisfaction. The total value of alpha coefficient for the overall dimensions is 0.91. This is evidently a high value, a matter that reflects the strength of the internal consistency of the first part of the scale, that is job satisfaction.

With regard to leadership styles, analysis showed that Alpha coefficient for the overall leadership styles is 0.9763. The following Table 4.5 shows the values of this coefficient for each dimensions of the scale:

Table 4.5: Alpha Coefficient for Leadership Styles (N=35)

Leadership Styles	Alpha Coefficient
Focused leadership	0.7770
Communication leadership	0.8909
Trust leadership	0.8056
Respectful leadership	0.9191
Risk leadership	0.8499
Bottom-line leadership	0.8493
Empowered leadership	0.8090
Long-term leadership	0.9301
Organizational leadership	0.9022
Cultural leadership	0.8892
Total Leadership Styles	0.9763

While alpha coefficient value scores high for the 8th style, that is long-term leadership, at about 0.93, it goes down to about 0.78 for the first that is focused leadership. The values of the other eight styles range between these two values. These values in total establish the internal consistency of the leadership styles scale, particularly, as it was mentioned above, that the alpha coefficient value for the overall measurement is 0.98. However, this should be viewed in light of the relatively small size of the sample.

4.4.1.3 Validity of the scale

The validity of the scale was established by two different methods, Content validity and Predictive validity, as follows:

Content Validity

Content validity measures the degree to which the content of items adequately represents the universe of all relevant items under study. The scale items for this study were specifically formulated to measure significant issues for job satisfaction and leadership styles. That selection came as a result of reviewing relevant literature while taking into account the characteristics of the Kuwaiti society. In its initial form, the scale was revised meticulously to ensure that each item pertains to the aspect under examination, whether in connection with job satisfaction or leadership styles. The researcher organized interviews with five experts in order to discuss the final version of the scale. One of them was a specialist in methodology and statistical analysis

while the other four were specialists in economics, management, marketing and psychology respectively. They checked the scale along with the details of the study aims and objectives. Some amendments were suggested and incorporated. Then, the scale was finally reviewed and approved as being valid to measure the variable factors that it was designed to measure.

Predictive Validity

Predictive validity is estimated by predicting the results obtained in reference to an external criterion. In the current study, the external criterion is gender. It is known that there are differences between males and females regarding preferences and attitudes. If the scale reflects such differences, it will be valid. Applying this criterion to the current scale showed differences between the two genders, as shown in Table 4.6 below. The table shows that there are statistically significant differences between the males and the females. At the level of overall job satisfaction, the differences are statistically significant ($P < 0.001$). The significant differences exist regarding each dimension separately. At the level of overall leadership styles, the differences are statistically significant ($P < 0.029$). At the level of each style separately, the differences exist as follows:

- Communication leadership ($P = 0.02$)
- Risk leadership ($P = 0.003$)
- Bottom-line leadership ($P = 0.03$)
- Long-term leadership ($P = .013$)
- Organizational leadership ($P = 0.008$)

Table 4.6: Differences between Genders Relating to Job Satisfaction and Leadership Styles (N=35)

Dimension of Measurement		Males		Females		Stat. Indicators	
		Mean	SD	Mean	SD	F	Sig.
Job Satisfaction	Satisfaction with salary	10.3	4.01	14	4.6	2.5	0.016
	Satisfaction w. working hours	11.4	4.2	14.6	4.2	2.3	0.03
	Satisfaction with management	12.2	4.3	15.2	3.2	2.3	0.025
	Satisfaction with prof. Benefits	12.1	4.6	17.8	3.8	4.01	0.00001
	Satisfaction with work relations	13.8	3.2	17.8	4.7	2.9	0.007
	Satisfaction with physical work environment	13	5.2	17.5	4.6	2.7	0.01
	Overall Job Satisfaction	72.8	18.5	97	13.6	4.4	0.00001
Leadership Style	Focused leadership	12.2	4.5	14.4	3.8	1.6	0.12
	Communication leadership	13.6	5.1	17.4	4.2	2.5	0.02
	Trust leadership	16.6	4.9	18.7	5.4	1.2	0.24
	Respectful leadership	14.5	5.1	16.8	5.1	1.3	0.19
	Risk leadership	11.6	4.3	16	3.9	3.2	0.003
	Bottom-line leadership	13.2	4.7	16.7	4.4	2.2	0.03
	Empowered leadership	13.8	4.3	15.1	4.6	.9	0.38
	Long-term leadership	12.6	6.1	17	3.6	2.6	0.013
	Organizational leadership	12.3	5.2	16.7	4.04	2.8	0.008
	Cultural leadership	13.6	5.8	15.7	4.4	1.2	0.29
	Overall leadership styles	134	45	164.5	32.5	2.3	0.029
Total (Job satisfaction & Leadership styles)		206.7	40.8	261.4	39.1	4.1	0.0001

As for the other five styles, there are no statistically significant differences between the two genders but the scale reflects the fact that there are differences between the male respondents and the female respondents regarding overall leadership styles and overall job satisfaction. At the level of all items (job satisfaction and leadership styles), the scale reflects significant differences between the two genders ($P = 0.0001$). This is indicative of the distinctive ability of the scale as a whole, irrespective of the existence of some leadership styles for which no statistical differences were shown between the two genders.

4.4.2 Customer satisfaction scale

The customer satisfaction scale is confined to measure satisfaction of Kuwaiti banks customers. The following is an explanation of such scale regarding its design and reliability.

4.4.2.1 Designing the scale

The design of this scale depended on reviewing the literature on measuring customer satisfaction (see for example, ott, 1999; Ruggerietal, 2000; Son et al., 2000; Collins et al., 2000; and Greenfield and Attkins, 1999). The scale is made of 21 questions. It starts with an inquiry about the banks with which the respondent deals. This is followed by a filtered question about the bank more frequently dealt with, and a third about the period since which such dealing had been maintained. The other 14 items (4 – 17) measure customer satisfaction with bank performance and bank system as well as the customer attitude towards the bank, as follows:

- A) Bank performance. This includes attentiveness to the customer, waiting period for a service to be accomplished, the manner of receiving the customer, swift completion of transactions, understanding the customer needs, efficiency in answering customer inquiries, solving customer problems, and the performance of the bank in general.
- B) Bank work system. This includes the organization of bank procedures in dealing with customers, services provided by the bank, availability of competent bank employees, updating the customer with new services, bank physical environment, and bank operations in general.
- C) Positive Trend. This includes the intention to continue dealing with the bank, readiness to advise others (if needed, to deal with the same bank), assuming the advantages of the bank compared to other banks, and the existence of difficulties facing the customer in dealing with the bank.

The responses to the scale items vary from one item to another. The total score of the scale is 79 distributed as 40 for performance, 30 for system, and 9 for attitude. In addition, the scale includes the characteristics of the respondents in terms of gender, age, education, job, governorate of residence, and marital status. These are treated as independent variables according to which customer satisfaction may vary.

4.4.2.2 Reliability of the scale

The reliability of the customer satisfaction scale was established by two methods, Test-Retest and Internal Consistency by Cronbach's Alpha as follows:

Test-Retest

The scale was applied twice with a two-week interval to a sample of 47 bank customers. Data were statistically processed and the correlation coefficient between the first and second applications was calculated. The value of the coefficient was 0.903. It is significant at zero level ($P = 0.000$). The correlation coefficients for each question/item in the first and second applications were also calculated. It was established that all their values, ranging from 0.544 to 0.977, have high statistical significance ($P = 0.000$). For example, the correlation between the responses to Q13 in the first and second application was 0.956, while the correlation for Q5 was 0.626, etc. At the level of the overall scale, the value of the correlation coefficient between the first application and the second application was 0.903, which has a high statistical significance ($p=0.000$).

Internal Consistency

Internal consistency for the customer satisfaction scale was investigated by calculating alpha coefficients – “alpha if item deleted”. To this end, the data from the first application to the above stated sample was statistically processed. Alpha coefficients are shown in the following table:

Table 4.7 Alpha Coefficient for Customer Satisfaction scale (N = 47).

Items	Alpha if item deleted
Giving attention to the customer	0.843
Organizing of customer waiting time	0.830
Waiting period till service is completed	0.833
Good receiving of the customer by the bank employees	0.844
Availability of service employee	0.839
Swiftness of transaction completion	0.838
Understanding of the customer needs	0.836
Introducing the available services to the customer	0.835
Introducing the new services to the customer	0.833
Answering customer inquiries, if any.	0.824
Solving problems facing customer at the bank	0.820
Cleanliness and tidiness of the bank	0.835
Adequacy of services available	0.835
Work system at the bank in general	0.840
Customer intention to stay with the bank	0.834
Readiness of customer to recommend the bank to others	0.841
Customer preference of the bank	0.835
Existence of difficulties or problems in dealing with the bank	0.834
Customer satisfaction scale	0.8428

As shown in the table above, the alpha coefficient value for the overall scale is 0.8428, while the alpha coefficient values for the scale items range from 0.820 to 0.844. These values establish the internal consistency of the scale.

4.4.2.3 Validity of the scale

The validity of the scale was established by two different methods, Content validity and construct validity, as follows:

Content Validity

The content of customer satisfaction scale was determined through a careful definition of the topic studied, the items to be scaled, and the issues to be measured. Since the scale aims to measure customer satisfaction with their banks, the scale content, that is items, was specifically created to meet that aim. In other words, the items were carefully identified and formed to be relevant in measuring the items that would be considered. The items were formulated based on structured interviews with some bank customers, bankers, scholars and professionals involved in banking. They were further arranged in terms of content, wording, organization, etc. The final version of the scale, which was judged by five arbitrators, was based on answering two questions: 1) Can the scale really measure customer satisfaction of Kuwaiti banks? and 2) What are the suggestions to increase the scale efficiency in measuring customer satisfaction of Kuwaiti

banks? After checking the scale, the arbitrators suggested amendments to the wording and content of some items. Such amendments were done, accordingly, and they finally approved the scale as a valid tool to measure customer satisfaction of Kuwaiti banks.

Construct Validity

Construct validity answers the question: “What accounts for the variance in the measure?” It attempts to identify the underlying construct being measured and to determine how well the scale represents them. Factor analysis is a common method of measuring the structure validity. To investigate the construct validity of the customer satisfaction scale, the responses of the above-mentioned reliability sample were processed. The analysis led to significant results that assert the validity of the scale as shown in Table 4.8 below.

The Table shows that six factors (F1 to F6) deduced from the analysis explain a total variance of 74%. The first factor (F1) explains a variance of 16.6% out of the total, while the sixth factor (F6) explains a variance of 8.1%. All items are factor-saturated above 0.3 that means they have statistically significant saturations. According to Guilford Standard, saturation becomes significant if its value is 0.3 or higher (Abo-Hatab and Sadeque, 1991, p 1641). Some items are saturated with more than one factor but with varied values. For example, saturation of second item with factor one is 0.794 and while the same item saturation with factor four is 0.303. In other words, that item is more loaded with F1. That is, it is more correlated with F1. In light of significant saturations and the high percentage of the explained variance, the customer

Table 4.8: Factor Loadings of Customer Satisfaction Scale (N=47)

Items	Factor loading					
	F1	F2	F3	F4	F5	F6
Giving attention to the customer					0.741	
Organizing of customer waiting time	0.794			0.303		
Waiting period till service is completed	0.339	0.323		0.312		0.576
Good reception of the customer by the bank employee						0.849
Availability of service employee	0.818					
Swiftness of transaction completion	0.768					
Understanding of the customer needs	0.819					
Introducing the available services to the customer		0.854				
Introducing the new services to the customer		0.893				
Answering customer inquiries, if any		0.560			0.397	
Solving problems facing customer at the bank	0.361		0.347	0.541	0.376	
Cleanliness and tidiness of the bank				0.414		
Adequacy of services available				0.837	0.707	
Work system at the bank in general				0.733		
Customer intention to stay with the bank			0.814		0.380	
Readiness of customer to recommend the bank to others		0.695	0.344			
Customer preference of the bank			0.860			
Existence of difficulties or problems in dealing with the bank			0.739		0.401	
Explained variance	16.6	14.7	13.1	11.3	10.2	8.1

satisfaction scale is characterized with relatively high validity. Given the above, the tools were designed in a manner that meets the subject matter and objectives of the study. These tools have a considerable reliability and validity, and thus their efficiency has been authenticated.

4.5 Data Collection

The data were collected through the use of individual interviews by the researcher and trained interviewers. The interviewers attended an intensive training sessions on how to apply the study tools according to the requested criteria. Through contacts with the officials of each bank, data collecting was organized. There was contact with the chairman, security staff and public relations staff of each bank. They helped to give facilities regarding time, date, lists of workers' names, and places of interviews. The interviewees were selected from lists containing names of all workers in departments of each bank. The respondents participated voluntarily, if the selected worker refused to participate, the interviewer selected another one, guided by criteria of selection. In all cases, interviews were conducted at the work places. The interviewee filled the scale marking responses reflecting his/her view and the interviewer followed him/her and explained ambiguous items/questions if any. The mean time for each interview was approximately 25 minutes. Data were reviewed immediately after finishing the interview.

Regarding the customers' sample, the subjects were interviewed during their visits to the banks. To ensure meetings with different categories of customers, and to give an equal chance for every customer visiting the bank to be selected for the sample, meetings with respondents conducted in different times through the working hours, in different days of the week. In other words, in the first week, meetings with customers of bank (x) were held on Monday and Wednesday, while in the second week, meetings with customers of the same bank were held on Sunday and Thursday and so on. At the bank, the interviewer presented herself to the customer and asked him/her if he/she (the customer) wants to participate in the study. When the customer agreed, the interview was conducted. Each meeting was about 10 to 15 minutes. All meetings were conducted through coordination with banks officials

4.6 Data processing

The statistical analysis plan was schemed and implemented in accordance with the nature of data and variables on the one hand, and the objectives of the study on the other. The statistical analysis was in two phases: data entry and preparation; and statistical analysis.

4.6.1 Data entry and preparation

Data were entered onto the computer through the Statistical Package for Social Science (SPSS). Data were entered in a manner that ensured that the data of each bank were entered successively.

For example, data for bank 'X' in terms of leadership styles, job satisfaction, and customer satisfaction were entered on the same row on the SPSS, so that such row includes the quantitative values of responses on all items and variables, and so on, data of all cases of bank 'X' were entered. Then, comes the turn of bank 'Y', etc., till data for the seven banks were entered. Thus, there were data for each bank covering leadership styles, job satisfaction, and customer satisfaction, in addition to demographic data of customers and employees.

After reviewing the data, the next step was creating the variables. Since the study examines the relationship between leadership styles and customer satisfaction in Kuwaiti banks, there were two main variables: 'leadership styles' and 'customer satisfaction'. This is in addition to 'job satisfaction' as a mediating variable. The three variables were created by calculating the quantitative values of the responses to the items that measure each variable by using the SPSS. For the items that measure, for example, communication leadership, the quantitative values of interview responses to such items were calculated, thus creating a new variable labeled as 'communication leadership'. Through this accurate calculation, the variables for leadership styles were created (ten variables, each representing a leadership style in the same manner discussed before with regard to data collection tools). By calculating the variables that reflect the ten leadership styles, a new variable, that is, 'overall leadership styles' was created. Through the same manner, variables that reflect customer satisfaction were also created. For the items that measure, for example, performance satisfaction, the quantitative values of interviewees responses to such items were calculated, thus creating a new variable called 'performance satisfaction' (PS). The same rule applies to 'system satisfaction' (SS) and 'positive attitude'

(PA). By calculating the values of those three aspects, a new variable, that is, 'overall customer satisfaction' was created. By the same token, the 'job satisfaction' (JS) variable was created.

After creating variables, the next step was determining the levels. A level refers to the intensity of the variable as reflected by the responses to the items measuring that variable. For example, based on employees' responses, it could be seen that the focused leadership style is poorly or highly adopted by their supervisors. By the same token, based on customers' responses, customer satisfaction could be low or high. At this point, an essential question was raised: *Does customer satisfaction differ according to the level of practicing leadership styles?* It is thus clear that there are two variables for the study to examine the relationship between two levels: one is the level of customer satisfaction and the other is the level of leadership styles. The statistical analysis therefore included the creation of the 'level' variable for each leadership style, overall leadership styles, customer satisfaction, and job satisfaction. This analysis was carried out by calculating the mean score of the quantitative values. This mean score is the 'Grand Mean' that reflects the responses of all the samples. In the light of that grand mean, the responses were classified as;

- The responses that had a mean equal to or below the grand mean were classified as having a low level.
- The responses that had a mean higher than the grand mean were classified as having a high level.

For example, the interviewee's responses on items of customers' satisfaction scale have quantitative values ranging from 27 to 79; the sample mean score is 63.3. Some interviewees scored values equal to or below 63.3; others scored values higher than 63.3. In such a case, the level of customer satisfaction is low if it is equal to or below 63.3, or high if higher than 63.3. In this way, the levels of the variables were identified for each leadership style separately, overall leadership styles, job satisfaction, and customer satisfaction. This phase was completed by transforming data into analyzable and measurable variables, and thus each bank had its own index that included: degree of leadership styles adopted (each style separately and overall leadership styles), customer satisfaction (system, performance, attitude and overall satisfaction), job satisfaction and the interviewees characteristics in terms of gender, job, marital status, governorate of residence, etc.

4.6.2 Statistical analysis

The statistical analysis was carried out in the light of the objectives of the study. The following statistical processes were conducted:

4.6.2.1 Means and Standard Deviations

This is to identify the value and level of each variable. This was carried out for the following variables: Bank customer satisfaction, leadership styles (each separately), and overall leadership styles.

4.6.2.2 One-Way ANOVA

This was applied to the means that reflect the quantitative values (for bank customers) of the customer satisfaction measurement to identify the significance of differences among those means, based on bank and customer characteristics in terms of age, education, marital status, period of dealing with the bank, and governorate of residence. The One-Way ANOVA was also used to identify the significance of differences among Kuwaiti banks with regard to the means scored for customer satisfaction, each leadership style separately, and overall leadership styles. The respondents were classified according to these characteristics into three or more groups. In case the sample was classified into three groups (as in the variables of age, education, marital status, and period of dealing with the bank), the 'Scheffe Multi-Comparison Test' was applied. When the sample was classified into more than three groups (as in the variables of residence), the 'Tukey Post-Hock Test' was applied. The Tukey Post-Hock test was also used to identify the reasons, if any, for significant differences, because there were seven groups (banks) covered in that comparison. 'Scheffe' and Tukey' tests aim to identify the groups among which the significant differences are found.

4.6.2.3 T-Test

This was applied to the means that reflect the quantitative values (for bank customers) of the customer satisfaction measurement according to the variables of gender (males and females) and job (government and private). It was clearly seen that the customer sample could be classified into two groups based on the variables of gender and job.

4.6.2.4 Correlation coefficient

Pearson correlation was used to identify the strength and nature of correlation between leadership styles on the one hand, and customer satisfaction with its dimensions separately and totally on the other.

4.6.2.5 General Linear Model (GLM)

The general linear model (GLM) provides analysis of variance for one dependent variable by one or more factors and/or variables. This model was applied to each leadership style, being an independent variable, in order to identify its influence on customer satisfaction. To determine the variables that mediate with that influence, each leadership style was used with the variables of bank, job satisfaction and characteristics of customer sample. Specifically, effects of the following bilateral interaction on customer satisfaction were investigated:

- Bank (leadership style x bank)
- Job satisfaction (leadership style x job satisfaction of bank employees)
- Leadership style (leadership style x overall leadership styles)
- Gender (leadership style x customer gender)
- Age (leadership style x customer age)
- Education (leadership style x customer education)
- Job (leadership style x customer job)

- Residence (leadership style x customer residence)
- Marital status (leadership style x customer marital status)

Through the use of the GLM, the influence of the level of practicing each leadership style on the mean of customer satisfaction was identified. The same was conducted regarding the mediating variables (the ones which mediate the relationship between the level of practicing each leadership style and customer satisfaction).

4.7. Summary and conclusion

This chapter has shown that a quantitative approach to data collection and analysis was used for this study because it enables the researcher to obtain much of the information needed to investigate the relationship between leadership styles and customer satisfaction of Kuwaiti banks. Two samples were used; the first sample represents the Kuwaiti banks employees while the second sample represents the customers of Kuwaiti banks. The sample size was made of 50 customers and 50 employees from each of the seven Kuwaiti banks. Both samples were selected according to specific criteria to ensure accuracy of the data that could be obtained. The study tools were designed in light of the subject matter and objectives of the study, and in compliance with the principles of designing tests and scales. Two reliable and valid scales were used; the first scale measures leadership styles and job satisfaction; and the second scale measures customer satisfaction. The two scales include items/questions as well as the interviewees' characteristics as being independent variables according to which the interviewees' responses on

the scales may vary. To collect the data, the tools were applied to the targeted samples through face-to-face interviews. The data were processed by the use of computer software SPSS and the statistical analysis was carried out in accordance with the study aim and objectives.

CHAPTER FIVE

PRESENTATION AND ANALYSIS OF THE STUDY RESULTS

5.1 Introduction

This chapter presents the study results regarding the relationship between customer satisfaction and leadership styles of Kuwaiti banks. It includes two main sections. The first section exhibits the study results regarding customer satisfaction with Kuwaiti banks, in terms of performance satisfaction (PS), systems satisfaction (SS), positive trends (PT) and total satisfaction (TS). The section also presents the results on the relationship between customer satisfaction and employee job satisfaction. In presenting the results on these relationships, the following independent variables are considered: Customer characteristics; Involvement with the banks; and Length of having dealt with the banks. The second section shows the relationship between customer satisfaction and ten leadership styles by pointing out the degree to which such styles are practiced in Kuwaiti banks, the relationship between each leadership style and customer satisfaction.

5.2 Customer satisfaction of Kuwaiti banks

Research was conducted on customer satisfaction with regard to three distinct categories: bank performance, bank system, positive trend, and overall customer satisfaction towards Kuwaiti banks.

5.2.1 Customer satisfaction with bank performance

Performance in this context refers to the aspect of practice recognized by customers in their dealing with the bank in terms of attentiveness of bank employees toward customers, period of customer's waiting for a service to be accomplished, the manner in which customers are received by bank competent employees, swift completion of transactions, understanding by bank employees of customer needs, efficiency of bank employees in properly answering

customer inquiries and solving customer problems, and eventually customer satisfaction with the performance of Kuwaiti banks in general.

The study explored the opinions of customers about the above points by requesting them to evaluate each point for their respective banks. Those evaluations range from 'excellent' to 'bad', with quantitative value ranging from '5' to '0'. The total score of the items exploring customer satisfaction with banks performance is 40. High score reflects high level of satisfaction and vice versa. The study findings revealed that the mean score of customer satisfaction with banks performance was 32.4 with standard deviation at 6.1. This mean score differs from one bank to another as shown in the following table.

Table 5.1: Mean Score of Customer Satisfaction with Banks Performance

Banks	N	Customer's Satisfaction		F	Sig
		Mean	SD		
National Bank of Kuwait (NBK)	50	33.6	5.1	10.6	0.000
Gulf Bank (GB)	50	30.7	6.6		
Kuwaiti Finance House (KFH)	50	36.7	3.2		
Burgan Bank (BB)	50	31.5	5.1		
Civilian Kuwaiti Bank (CKB)	50	32.7	4.7		
Kuwaiti Commercial Bank (KCB)	50	33.3	5.6		
Bank of Kuwait and Middle East (BKM)	50	28.4	7.9		
Total	350	32.4	6.1		

The table above shows that the rates range from 28.4 to 36.7, that is 71% to 91.8% of the total score which is 40. This means that the customers expressed a relatively high degree of satisfaction with banks performance. The table also shows that Kuwait Finance House

(KFH) ranks first in terms of satisfaction with its performance. KFH scored a mean of 36.7 (91.8%) while the Bank of Kuwait and Middle East (BKM) ranks last with a mean score of 28.4 (71%). Between these two scores range other values for customer satisfaction with the performance of other Kuwaiti banks. According to Tukey test, the differences among those banks are significant ($F= 10.6$, $P= 0.00$). The following table shows the findings reached by the study in this point.

Table 5.2: Multiple Comparisons among Kuwaiti Banks Regarding Customer Satisfaction with Performance

Banks	NKB	GB	KFH	BB	CKB	KCB	BKM
NBK							
GB							
KFH		X					
BB			X				
CKB			X				
KCB			X				
BKM	X		X		X	X	

The mark ‘X’ indicates the significant differences. The table shows that differences existed between:

- KFH and the other banks, except for the National Bank of Kuwait (NBK). The differences between KFH and NBK are not significant, whereas the differences between KFH and the other banks are significant. As such, it can be concluded that KFH customers, compared to the customers of the other banks, expressed more satisfaction with its performance.
- BKM and NBK, Kuwait Commercial bank (KCB), and Burgan Bank (BB). There are significant differences between the score for BKM and the scores for NBK, KCB, and BB in terms of customer satisfaction. In general, there are

differences among Kuwaiti banks with regard to the satisfaction of the customers with the performances of those banks.

The satisfaction of the customers with the performances of Kuwaiti banks also differs according to customer demographical characteristics. This is shown in the following table.

Table 5.3: Mean Score of Customer Satisfaction with Kuwaiti Banks Performances According to Demographic Characteristics

Demographic characteristics	N	Mean	SD	Statistics	
				Coefficients	Sig
Gender : Male	188	33.4	5.4	T= 3.3	0.001
Female	162	31.3	6.6		
Age: Less than 25 years	117	32.7	5.8	F= 6.8	0.001
From 25 to 50 years	188	33	5.8		
More than 50 years	45	32.2	7.1		
Education : Less than Medium	79	31	7.1	F= 2.8	0.02
Medium or Secondary	141	33.3	6		
University	130	32.3	5.3		
Job : Government	175	32.3	6	T= 0.04	0.7
Private Sector	175	32.5	6.2		
Social State: Single	120	33.2	6	F= 7.6	0.001
Married	193	32.6	6		
Other	37	29	6.3		
Governorate: Capital	62	31.5	6.6	F= 2.2	0.06
Hawalli	55	33.1	5.8		
Al-Farwania	60	33	5.1		
Al-Ahmady	61	30.6	6.4		
Al-Jahra	57	33.3	6.1		
Moubarik Alkabir	55	33.4	6		

It should be noted that high mean score reflects a high level of satisfaction, and vice versa. The table shows that customer satisfaction differs according to gender, age, education, and marital status. Males, compared to females, expressed more satisfaction. The young, compared to the old, expressed more satisfaction. Those with higher education, compared to those with less education, expressed more satisfaction. As for the marital status, the bachelors expressed more satisfaction (M= 33.2), followed by the married (M= 32.6), and finally the divorced and widows (M= 29). There were no significant differences associated with the type of employer (government and private) and the place of residence. In other words, satisfaction does not differ according to the customer's place of work or place of residence.

5.2.2 Customer satisfaction with bank systems

The bank work systems include several activities and features such as waiting order, availability of competent bank employee, introduction of services offered by the bank to customers, updating bank customer with new services, cleanliness and tidiness of the bank, and bank operation in general. Most customers reported feeling pleased with the bank systems. For example, one customer replied by saying: *"They have very good ways of selling their new services"*. The survey included six items to measure customer satisfaction with work systems in the banks. The total score for those items is 30 (five for each item). The study established that the mean score for customer satisfaction with work systems in the banks was 24.5 with standard deviation at 4.1. This means that the mean score for customer satisfaction with work systems in the banks stands at 81.7%. The mean score differs from one bank to another as shown in Table 5.4 below.

The table shows that KFH ranks first in terms of satisfaction with its system. KFH scored a mean of 27.3. It is followed by NBK scoring a mean of 25. The means for the other banks were close to one another, ranging from 22.4 to 24.8. BKM came last in terms of customer satisfaction with work system at a means score of 22.4. According to Tukey test, the differences among those values were substantial, not accidental ($F= 8.3.6$ and $P= 0.01$).

Moreover, Table 5.5 shows that differences existed between:

- KFH and all other banks. The mean score for satisfaction with work system at KFH was substantially different from the mean scores for all the other banks.
- NBK and BKM. There was a substantial difference between the mean score of NBK and the mean score of BKM in terms of customer satisfaction with work system in each bank.
- KCB and BKM. There was a difference between the mean score of KCB and the mean score of BKM in terms of customer satisfaction with work system in each bank.

Table 5.4: Mean Score of Customer Satisfaction

Banks	N	Mean	SD	F	Sig
National Bank of Kuwait (NBK)	50	25	4.2	8.3	0.000
Gulf Bank (GB)	50	23.04	4.9		
Kuwaiti Finance House (KFH)	50	27.3	2.6		
Burgan Bank (BB)	50	24.4	3.4		
Civilian Kuwaiti bank (CKB)	50	24.6	2.9		
Kuwaiti Commercial Bank (KCB)	50	24.8	3.2		
Bank of Kuwait and Middle East (BKM)	50	22.4	4.9		
Total	350	24.5	4.1		

Table 5.5: Multiple Comparisons among Kuwaiti Banks Regarding Customer Satisfaction with their Work Systems

Banks	NKB	GB	KFH	B.B	CKB	KCB	BKM
NBK							
GB							
KFH	X	X					
B.B.			X				
CKB			X				
KCB			X				
BKM	X		X			X	

It can be concluded that the mean scores of KFHH and NBK were substantially high for customer satisfaction with bank work systems, while the mean score of BKM was low in this regard. Apart from this, differences between mean scores for customer satisfaction with bank work systems were not substantial.

While the mean score for customer satisfaction with bank work system differed from one bank to another, it also differed according to customers' characteristics as shown in Table 5.6 below. The table shows that the mean scores for customer satisfaction with bank work systems were substantially different according to gender, education, and marital status. As for the gender variable, the table shows that males, compared to females, expressed more satisfaction. It also shows that those with higher education, compared to those with less education, expressed more satisfaction. Also, the bachelors, compared to the divorced and widows, expressed more satisfaction. The variables of age, profession, and governorate of residence showed no effect on customer satisfaction with bank work systems.

**Table 5.6: Mean Score of Customer Satisfaction with Kuwaiti Bank Systems
According to Demographic Characteristics**

Demographic characteristics	N	Mean	SD	Statistics	
				Coefficients	Sig
Gender : Male	188	25	3.9	T = 2.2	0.03
Female	162	23	4.3		
Age: Less than 25 years	117	24.1	4.8	F = 2.4	0.092
From 25 to 50 years	188	25	3.8		
More than 50 years	45	32.8	3.4		
Education : Less than Medium	79	23.6	4.5	F = 3.1	0.045
Medium or Secondary	141	25.1	4.1		
University	130	24.4	3.8		
Job : Government	175	24.5	3.9	T = 0.104	0.9
Private Sector	175	24.5	4.3		
Social State: Single	120	24.6	4.3	F = 5.4	0.005
Married	193	24.8	3.8		
Other	37	22.5	4.2		
Governorate: Capital	62	24.6	4	F = 1.2	0.3
Hawalli	55	24.7	3.7		
Al-Farwania	60	24.7	3.2		
Al-Ahmady	61	23.4	4.5		
Al-Jahra	57	25.2	4.1		
Moubarik Alkabir	55	24.6	4.8		

5.2.3 Customer positive trend toward Kuwaiti banks

Positive Trend (PT) toward banks refers to the intention of the customer to continue dealing with the bank, his/her willingness to advise others to deal with the same bank, and his/her conviction that his/her bank is the best compared to the other banks and that there are no

note-worthy problems in dealing with his bank. The total score of the items measuring PT is nine. High score reflects strong PT and vice versa. The analysis of the data showed that the mean score for PT was 6.4 (71.1%) with standard deviation at 2.1. This mean score for PT differs from one bank to another as shown in the following table.

Table 5.7: Mean Score of Customer Positive Trend Toward Kuwaiti Banks

Bank	N	Mean	SD	F	Sig
National Bank of Kuwait (NBK)	50	7.9	1.4	6.2	0.000
Gulf Bank (GB)	50	6.3	2.1		
Kuwaiti Finance House (KFH)	50	6.2	2.5		
Burgan Bank (BB)	50	5.8	1.8		
Civilian Kuwaiti Bank (CKB)	50	5.8	2.02		
Kuwaiti Commercial Bank (KCB)	50	6.5	1.8		
Bank of Kuwait and Middle East (BKM)	50	6.4	2		
Total	350	6.4	2.1		

The table above shows that NBK ranks first in terms of customer positive trend toward it. NBK scored a mean of 7.9 (87.7%). The lowest mean was scored by BB and CBK at 5.8 (64.4%). It is surprising that KFH occupied a relatively low rank in terms of customer PT toward it, despite its high performance and better work systems indicated earlier. According to Tukey test, there were significant differences among Kuwaiti banks with regard to customer PT (<0.05). Table 5.8 below shows the findings in this respect. Therefore it can be concluded that there was a significant difference between NBK and the other banks. In other words, NBK scored a mean of 7.9 with regard to customer PT. This score, compared to the other scores, is factual, not accidental. The differences between the means of the other banks for customer PT were significant and could be accidental.

Table 5.8 : Multiple Comparisons among Kuwaiti Banks Regarding Customer Positive Trend

Banks	NKB	GB	KFH	B.B	CKB	KCB	BKM
NBK							
GB	X						
KFH	X						
BB	X						
CKB	X						
KCB	X						
BKM	X						

While the mean score for customer PT differed from one bank to another, it also differed according to customer characteristics as shown in Table 5.9 below.

Based on the statistical significance of T and F values, the mean scores for PT toward banks did not differ according to age, gender, job, and governorate of residence, whereas they differed according to education and marital status. The table shows that customers with university education scored a high mean at 7. Those with elementary education scored a mean of 6.3, while those with intermediate or secondary education scored a mean of 5.9. It could be concluded that the customers with the highest level of education, compared to those with less education, expressed more positive trend toward their banks. As for the marital status variable, the table shows that those who were married expressed more positive trend (M= 6.7) then the bachelors (M= 6.2) or the divorced and widows (M= 5.6). As it is mentioned earlier, higher mean reflects more positive trend.

Table 5.9: Mean Score of Customer Positive Trend According to Demographic Characteristics

Demographic characteristics		N	Mean	SD	Statistics	
					Coefficients	Sig
Gender :	Male	188	6.43	2.1	T = 0.22	0.8
	Female	162	6.37	2		
Age :	Less than 25 years	117	6.3	2.3	F = 3	0.051
	From 25 to 50 years	188	6.6	1.9		
	More than 50 years	45	5.8	1.7		
Education :	Less than Medium	79	6.3	1.9	F = 10.2	0.0001
	Medium or Secondary	141	5.9	2.2		
	University	130	7	1.8		
Job :	Government	175	6.2	2.2	T = 1.5	0.13
	Private Sector	175	6.6	1.9		
Social State:	Single	120	6.2	2.2	F = 5.3	0.005
	Married	193	6.7	2		
	Other	37	5.6	1.8		
Governorate :	Capital	62	6.3	1.9	F = 1.7	0.13
	Hawalli	55	6.3	1.8		
	Al-Farwania	60	6.5	1.8		
	Al-Ahmady	61	6.7	1.8		
	Al-Jahra	57	6.8	2.2		
	Moubark Alkabir	55	5.8	2.6		

5.2.4 Overall customer satisfaction toward Kuwaiti banks

The overall customer satisfaction refers to the above-mentioned three points: satisfaction with performance; satisfaction with work systems; and positive trend. The total score of the items of the three points is 79. Based on the quantitative value of responses to those items, the data analysis established that the mean score for the overall customer satisfaction was 63.3 with standard deviation at 10.5. This mean score is equal to 80.1% of the total which is 79. The mean score of customer satisfaction differs from one bank to another as shown in Table 5.10 below.

Table 5.10 Mean Score of Customer Satisfaction of Kuwaiti Banks

Banks	N	Mean	SD	F	Sig
National Bank of Kuwait (NBK)	50	66.3	9.2	9.5	0.000
Gulf Bank (GB)	50	60.02	12.2		
Kuwaiti Finance House (KFH)	50	70.1	5.7		
Burgan Bank (BB)	50	61.7	8.4		
Civilian Kuwaiti bank (CKB)	50	63.2	8.1		
Kuwaiti Commercial Bank (KCB)	50	64.7	9.3		
Bank of Kuwait and Middle East (BKM)	50	57.2	13.3		
Total	350	63.3	10.5		

The table shows that KFH ranks first in terms of overall customer satisfaction ($M= 70.1$), whereas BKM comes last ($M= 57.2$). This means that KFH scored the equivalent of 88.7%, whereas BKM scored the equivalent of 72.4%. Between these two means range the other means indicating the overall customer satisfaction with Kuwaiti banks. It is noticed that customer satisfaction in this respect is relatively high. Moreover, there are significant differences among the banks in terms of means for customer satisfaction ($F= 9.51$, $P< 0.001$)

The score for customer satisfaction differs from one bank to another. The following table shows the results reached by using a one-way ANOVA, showing the significant differences in this regard.

Table 5.11: Multiple Comparisons among Kuwaiti Banks Regarding Overall Customer Satisfaction

Banks	NKB	GB	KFH	B.B	CKB	KCB	BKM
NBK							
GB	X						
KFH		X					
BB			X				
CKB			X				
KCB							
BKM	X		X		X	X	

From the above table, it can be concluded that:

- Overall customer satisfaction with NBK is significantly different from that with GB and BKM;
- Overall customer satisfaction with KFH is significantly different from that with GB, BB, CKB, and BKM; and
- Overall customer satisfaction with CKB is significantly different from that with BKM.

Apart from the above, differences between mean scores for customer satisfaction are not significant. For example, the difference in mean score between NBK and KFH for overall customer satisfaction is not significant. The same applies to the difference between GB and BB.

5.2.5 Demographic variables affecting customer satisfaction of Kuwaiti banks

As it was explained in the methodology chapter, demographic variables include the customer's gender, age, education, job, marital status and governorate of residence. From the current study perspective, customer satisfaction may differ according to the demographic variables. The analysis of the data confirmed such assumption as shown in the following table:

Table 5. 12: Mean Score of Overall Customer Satisfaction in Relation to Demographic Characteristics

Demographic characteristics		N	Mean	SD	statistics	
					Coefficients	Sig.
Gender :	Male	188	64.8	9.4	T = 2.83	0.005
	Female	162	61.6	11.3		
Age:	Less than 25 years	117	63.1	10.5	F = 5.3	0.005
	From 25 to 50 years	188	64.5	10.2		
	More than 50 years	45	59	10.4		
Education :	Less than Medium	79	61	11.8	F = 2.8	0.065
	Medium or Secondary	141	64.2	10.5		
	University	130	63.8	9.4		
Job :	Government	175	63.1	10.3	T = 0.485	0.6
	Private Sector	175	63.1	10.7		
Marital Status :	Single	120	64	9.9	F = 8.1	0.00001
	Married	193	64.2	10.4		
	Other	37	57	10.8		
Governorate :	Capital	62	62.3	10.9	F = 1.4	0.21
	Hawalli	55	64.1	9.8		
	Al-Farwania	60	64	8.4		
	Al-Ahmady	61	60.7	11.4		
	Al-Jahra	57	65.3	11.1		
	Moubarak Al-Kabir	55	63.8	10.6		

Based on the statistical significance of T and F values, the mean scores for overall customer satisfaction differ according to gender, age, and marital status ($P < .001$). The table shows that the mean score for the males was 64.8, whereas the mean score for the females was 61.6. That is, the males, compared to the females, expressed more satisfaction. The table also shows that those of young or medium age, compared to the middle aged (over 50), expressed more satisfaction. Those below the age of 25 scored 63.1, while those between 25 and 50 scored 64.5 and those over 50 scored 59. As for the marital status variable, the table shows that those who were bachelors expressed slightly less satisfaction ($M = 64$) than the married ($M = 64.2$) or the divorced and widowed ($M = 57$). It should be stressed that the mean scores for overall customer satisfaction with Kuwaiti banks were not significantly different in relation to education, job, and governorate of residence.

The analysis of the data also shows that customer satisfaction is affected by the interaction between customer characteristics. Table 5.12 above shows the effect of customer characteristics, one by one, on their satisfaction with the banks. However, this is not sufficient to spot the real effect of those characteristics. For instance, the males who belong to a specific age group, compared to the females belonging to the same age group, could be more or less satisfied with the banks. The same applies to the other variables (customer characteristics). Therefore, the effect of bilateral interaction between the characteristics of the respondents on the mean score indicating their satisfaction was examined. The results are shown in Table 5.13 below .

The values of ETA Square indicate the magnitude of variation in customer satisfaction as a result of interaction with customer characteristics. Table 5.13 above, shows that the interaction between marital status and governorate of residence had the highest variation in customer satisfaction, with Eta Square value of .03 (3%), resulting from differences among respondents in terms of marital status and governorate of residence. This is a small percentage as we can see. There were other interactions, but had no effect, such as interaction between profession and marital status as Eta Square value was zero.

Table 5.13: The Effect of Bilateral Interaction between Customer Characteristics on their satisfaction with Kuwaiti banks

Source of Variance	DF	Sum of Squares	Mean of Squares	F	Sig.	Eta Square
Gender X Age	2	893.1	446.6	4.3	0.01	0.02
Gender X Education	2	579.2	289.6	2.8	0.06	0.016
Gender X Job	1	83.4	83.4	0.8	0.4	0.002
Gender X Social State	2	261.3	130.7	1.3	0.3	0.007
Gender X Governorate	5	207.4	41.5	0.4	0.9	0.006
Age X Education	4	705.7	176.4	1.7	0.2	0.019
Age X Job	2	624	312	3	0.054	0.017
Age X Social State	4	1306.6	326.7	3.21	0.01	0.04
Age X Governorate	10	880.4	88	0.826	0.6	0.024
Education X Job	2	51.7	25.8	0.24	0.8	0.001
Education X Social State	4	927.3	231.8	2.2	0.06	0.026
Education X Governorate	10	881.8	88.18	0.819	0.6	0.024
Job X Marital Status	2	12.6	1	0.6	0.9	Zero
Job X Governorate	5	523.3	109	0.96	0.4	0.014
Marital Status X Governorate	9	1116	124	1.12	0.3	0.03

In general, the effects of bilateral interactions between bank customer characteristics ranged from 0% to 4% (this percentage is attributed to interaction between age and marital status). In most cases, the value of F is not significant ($p > 0.05$). The table includes 15 interactions, only two of them have significant effects on customer satisfaction. The first is the interaction between gender and age, and the second is between marital status and age. The following table shows the mean scores for customer satisfaction according to gender and age variables.

Table 5.14: Mean Score for Customer Satisfaction According to Gender and Age

Age	Gender	
	Male	Female
Less than 25 Years	64.1	62.3
From 25 to 50 Years	64.8	63.9
More than 50 Years	66.5	55.2

Males of older age scored a high mean for satisfaction (M= 66.5), whereas the females of older age had a lower score (M= 55.2). The mean scores for satisfaction of other groups fall between these two values. As for the interaction between marital status and age variables, being significant (P= 0.01), the following table shows the result that reflects what is behind that significance.

Table 5.15: Mean Score for Customer Satisfaction According to Marital Status & Age

Marital Status	Age		
	Less Than 25 Year	From 25 To 50 Year	More Than 50 Year
Single	63.9	65.2	60.7
Married	64	64.3	63
Other	45.4	65.7	55

The table shows clear variations in means indicating customer satisfaction according to marital status and age. The widows and divorced, with ages from 15 to 25, ranks first (M= 65.7) in terms of customer satisfaction. They are followed, with a small difference, by bachelors of the same age group (M= 65.2). The group that expressed least satisfaction with Kuwaiti banks (M= 45.4) included the widows and divorced of older age, that is, over 50 years. This explains the significant differences in terms of customer satisfaction as a result of interaction between age and marital status.

The other meaningful point is the effect of interaction between customer characteristics and banks on customer satisfaction. Customer satisfaction may differ according to customer characteristics on the one hand, and the bank they deal with on the other. As such and in order to have a complete picture about customer satisfaction, the involved bank was used as a

variable. Applying two way ANOVA, bilateral interaction between the bank variable and customer characteristics led to the results shown in Table 5.16 below.

The table shows a considerable effect of the interaction between customer characteristics and their respective banks on customer satisfaction. The effect (Eta Square) amounted to 12 % for interaction between the governorate of residence and the bank. In other words, 12 % of customer satisfaction is attributed to differences in terms of place of residence and the banks. The effect amounted to 10% for interaction between the gender of the customer and the bank.

Table 5.16: Effect of Bank and Customer Characteristics on Customer Satisfaction

Source of Variance	DF	Sum of Squares	Mean of Squares	F	.Sig	Eta Square
Gender X Bank	6	3353.4	559	6.4	0.00001	0.10
Age X Bank	11	3102.3	282	3.2	0.00001	0.09
Education X Bank	12	703.3	58.6	0.6	0.8	0.02
Job X Bank	6	746.8	124.5	1.3	0.3	0.02
Marital Status	11	1111.8	101.1	1.08	0.37	0.04
Governorate x Bank	30	3875.4	129.2	1.45	0.06	0.12

Specifically, the interactions between customer characteristics and banks resulted in effects on customer satisfaction ranging from 2 % to 12 %. The F value is highly significant with regard to interaction between the gender of the customer and the bank and between the age of the customer and the bank ($P < 0.01$). The F values for the other interactions were not significant ($P > 0.05$). The following table shows the mean scores of customer satisfaction with regard to interactions between gender and bank variables.

Table 5.17: Customer Satisfaction Mean Scores According to Gender and Bank Variables

Bank	Gender	
	Male	Female
National Bank of Kuwait (N.B.K.)	65.6	66.9
Gulf Bank (G.B)	56.4	64.2
Kuwaiti Finance House (K.F.H.)	69.7	71.5
Burgan Bank (B.B.)	62.3	61.2
Civilian Kuwaiti Bank (C.K.B.)	64.3	62
Kuwaiti Commercial Bank (K.C.B.)	66.3	60.4
Bank of Kuwaiti and Middle East (B.K.M)	67.1	52.5

The table shows that the females dealing with KFH expressed the highest satisfaction (M= 71.5), whereas the females dealing with BKM expressed the lowest satisfaction (52.5). The mean scores for the other groups of respondents range between these two values. The following table shows the mean scores for customer satisfaction with regard to age and bank variables.

Table 5.18: Customer Satisfaction Mean Scores According to Age and Bank Variables on Customer Satisfaction

Bank	Age		
	Less Than 25 Year	From 25 To 50 Year	More Than 50 Year
National Bank of Kuwait (N.B.K.)	64.8	68.5	61.7
Gulf Bank (G.B.)	60	60.6	51
Kuwaiti Finance House (K.F.H.)	68.5	71.8	---
Burgan Bank (B.B.)	61.2	61.3	68.7
Civilian Kuwaiti Bank (C.K.B.)	64.5	62.3	65.3
Kuwaiti Commercial Bank (K.C.B.)	68.3	63.4	66.7
Bank of Kuwaiti and Middle East (B.K.M)	45.7	66.2	53.9

The table above shows that the customers between 25 and 50 years, dealing with KFH, expressed the highest satisfaction ($M=71.8$), whereas the customers who were less than 25 years, dealing with BKM, expressed the lowest satisfaction (45.7). The mean scores for the other groups of respondents range between these two values. Differences in customer satisfaction according to age and banks are significant ($p<0.05$).

With regard to the effect of interaction between the time of having dealt with the bank on customer satisfaction, it should be noted that data analysis established that 50 % of the sample had been dealing with their respective banks for less than five years, 26.6 % for 5 to 10 years, 24 % for more than 10 years. The question here: *Does customer satisfaction differ according to the period involved in dealing with the bank?* One Way ANOVA test produced the following results, Table 5.19 below, which answers the question:

Table 5.19: Customer Satisfaction According to Periods of Dealing with Banks

Bank	Less Than 5 Year			Form 5 To 10 Years			More Than 10 Years			Statistics	
	N	Mean	SD	N	Mean	SD	N	Mean	SD	F	Sig.
National Bank of Kuwait (N.B.K.)	27	64.7	10.4	9	67.4	8	14	68.7	7	0.94	0.4
Gulf Bank (G.B.)	30	62	10.9	15	55	13.7	5	63.8	13.3	1.9	0.2
Kuwaiti Finance House (K.F.H.)	27	68	3.4	14	69.1	6.9	9	78	0	17.8	0
Burgan Bank (B.B.)	29	64.6	6.5	11	55	11	10	61	6.2	6.4	0.003
Civilian Kuwaiti Bank (CK.B)	26	64.5	7.6	14	62.2	9.9	10	61.4	6.9	0.7	0.5
Kuwaiti Commercial Bank (K.C.B.)	17	65.7	10.4	17	65.5	8.4	16	62.6	9.3	0.6	0.6
Bank of Kuwaiti and Middle East (B.K.M)	17	53.6	13.9	13	61.5	12.8	20	57.4	13	1.3	0.3
Total	173	63.7	9.8	93	62.2	11.3	84	63.8	10.8	0.7	0.6

Table 5.19 above shows that customer satisfaction does not differ according to the period of dealing with the banks, with the exception of KFH and BB. The table shows that those who had been dealing with KFH for more than ten years expressed the highest level of satisfaction ($M= 78$). This value is substantially higher than the mean scores for customer satisfaction for those who had been dealing with KFH for less than five years ($M= 68$) and those who had been dealing with KFH for five to less than ten years ($M= 69.1$).

As for BB, the table shows that those who had been dealing with BB for less than five years expressed the highest level of satisfaction ($M= 64.6$), followed by those who had been dealing with KFH for more than ten years ($M= 61$), and lastly those who had been dealing with BB for five to less than ten years ($M= 55$). With the exception of KFH and BB, no significant effect was found on customer satisfaction ($P>.05$).

5.2.6 The relationship between job satisfaction and customer satisfaction

This section presents the statistical analysis of the data on the relationship between job satisfaction and customer satisfaction of Kuwaiti banks. It starts with an analysis of employee job satisfaction and then explores the correlation coefficient between job satisfaction and customer satisfaction.

5.2.6.1 Job satisfaction of Kuwaiti banks employees

As it was explained in the methodology chapter, the scale of job satisfaction aims to test the Kuwaiti banks employees' job satisfaction with six factors: salary, working hours, management, professional benefits, work relations, and physical work environment. The total score of the scale ranges between 30 and 150, high score reflects high satisfaction and vice versa. Data analysis showed that the mean score of job satisfaction for the sample is 82 constituting 54.7% of the total degree, which is 150. This result indicates slightly positive job satisfaction of Kuwaiti banks employees. This was reflected in the interview of one employee who said: *"My salary does not meet my needs"*. For employees of each bank separately, mean scores of job satisfaction are shown in the following table:

Table 5.20: Mean Score of Job Satisfaction of Kuwaiti Banks Employees

Banks	N	Job Satisfaction		F	Sig
		Mean	SD		
National Bank of Kuwait (NBK)	50	81.3	25.6	.342	0.506
Gulf Bank (GB)	50	86.3	26.7		
Kuwaiti Finance House (KFH)	50	83.5	23.7		
Burgan Bank (BB)	50	77.1	18.7		
Civilian Kuwaiti Bank (CKB)	50	80	19.1		
Kuwaiti Commercial Bank (KCB)	50	84.1	21		
Bank of Kuwait and Middle East (BKM)	50	81.6	24		
Total	350	82	22.8		

Mean scores of job satisfaction of Kuwaiti banks range from 77.1 to 86.3. Gulf Bank ranks first ($M=86.3$) while Barquan Bank ranks last ($M=77.1$). Between these two scores range other values reflecting job satisfaction of employees in other Kuwaiti banks. According to Tukey test, the differences among those banks are not significant ($F= .885$, $P= 0.506$). With regard to the differences of job satisfaction according to the employees' characteristics, data analysis led to the results summarized in Table 5.21 below. The table shows that job satisfaction significantly differs according to income and marital status ($P<.05$). Low income employees expressed high job satisfaction ($M=86$) compared with high income employees ($M=78.5$). Differences between the two groups are significant ($p=.002$). Regarding marital status, the table shows that widows and divorced employees expressed high job satisfaction ($M=87$), followed by married employees (84.2), and single employees ($M=78.5$). According to Scheffe multi comparison test, the statistical differences are between the third group (divorced and widows who are classified under the *other* category) on one hand, and the other two groups on the other hand.

Table 5.21: Mean Score of Job Satisfaction of Kuwaiti Banks Employees According to their Demographic Characteristics

Demographic characteristics	N	Mean	SD	Statistics	
				Coefficients	Sig
Gender : Male	198	82.3	21.6	T = 0.312	0.8
Female	152	81.5	24.4		
Age : Less than 30 years	200	81	22.8	T = -1	0.3
30 years or more	150	83.4	23.4		
Education : Less than university	107	79.7	4.5	T = 1.2	0.3
University and above	243	83	4.1		
Income : Less than 500KD	163	86	22.7	T = 3.1	0.002
500 KD and more	187	78.5	22.4		
Marital Status : Single	148	78.5	21.6	F = 3.2	0.04
Married	180	84.2	23		
Other	22	87	27.2		

There were no significant differences between group two (married) and group three (other). According to the variables of gender, age and education, the table shows that there were no significant differences between Kuwaiti banks employees in terms of job satisfaction ($p>0.05$).

5.2.6.2 The correlation coefficient between job satisfaction and customer satisfaction

To identify the correlation coefficient between job satisfaction and customer satisfaction, bivariate correlation was used and person correlation was calculated. It should

be noted that both job satisfaction and customer satisfaction are quantitative variables. Accordingly, person correlation (R) is an appropriate and accurate coefficient to indicate the relationship and its significance (sig.). However, Table 5.22 below summaries the relationship between job satisfaction of Kuwaiti banks employees and customer satisfaction of the same banks.

As for Kuwaiti banks as a whole, there is a significant positive correlation between customer satisfaction and employees' job satisfaction ($r=0.36$, $p=000$). This indicates that when Kuwaiti banks employees expressed high job satisfaction, the customers also expressed high satisfaction. This true for Kuwaiti banks as a whole and it is also true for some banks separately but it is not true for others.

Table 5.22: The Relationship between Job Satisfaction and Customer Satisfaction

Banks	N	R	Sig.
National Bank of Kuwait (NBK)	50	0.33	0.019
Gulf Bank (GB)	50	0.617	000
Kuwaiti Finance House (KFH)	50	0.514	000
Burgan Bank (BB)	50	0.037	0.8
Civilian Kuwaiti bank (CKB)	50	0.044	0.08
Kuwaiti Commercial Bank (KCB)	50	0.274	0.054
Bank of Kuwait and Middle East (BKM)	50	0.56	000
Total	350	0.36	000

Specifically, there were significant positive correlations between customer satisfaction and job satisfaction in four banks (NKB, GB, KFH and BKM). There were no relationships between customer satisfaction and job satisfaction in the other three banks (BB, CBK and KCB).

5.2.7 Summary of findings on customer satisfaction of Kuwaiti banks

The analysis of the results reached by the study with regard to customer satisfaction of Kuwaiti banks can be summarized as follows:

- The mean scores for customer satisfaction is 81% for bank performance and 81.7% for bank operation systems, while it amounts to 71.1% for positive trend towards the banks, out of the total score for the items measuring each of the three points. This means that the majority of the banks' customers were satisfied with the performance of the banks, the operation of the banks, and had a positive attitude toward the banks.
- The mean score for overall customer satisfaction with Kuwaiti banks is 80.1% of the total score. This means that based on a combination of the scores, there is customer satisfaction for the majority of those questioned.
- KFH and NBK rank on top of the other Kuwaiti banks in terms of overall customer satisfaction.
- Customer satisfaction differs from one bank to another. It also varies according to customer characteristics in terms of gender, age, and marital status.
- The mean score of job satisfaction for all the sample is 82% constituting 54.7% of the total score indicating relatively low job satisfaction of Kuwaiti banks' employees. In other words, out of the 82% who were satisfied overall with their jobs, 54.7% of those were only slightly satisfied.
- Mean scores of job satisfaction of Kuwaiti banks range from 77.1 to 86.3. This shows that there were no significant differences between those banks in terms of employees' job satisfaction.
- Employees' job satisfaction is not affected by their characteristics in terms of gender, age and education, but it is affected by their characteristics in terms of income and marital status. Low-income employees expressed high job satisfaction comparing with high-income employees. Widows and divorced

employees and married employees expressed high job satisfaction comparing with single employees.

- At the level of Kuwaiti banks as a whole, there is significant positive correlation between customer satisfaction and employees' job satisfaction. For each bank separately, there are significant positive correlations between customer satisfaction and job satisfaction in four banks while there are no significant relationships between customer satisfaction and job satisfaction in the other three banks.

5.3. The Relationship between customer satisfaction and leadership styles

The leadership styles that were considered for this study, as explained earlier, are: focused leadership, communication leadership, trust leadership, respectful leadership, risk leadership, bottom-line leadership, empowered leadership, long-term leadership, organizational leadership, cultural leadership and total leadership styles. The results related to the relationship between these leadership styles and customer satisfaction of Kuwaiti banks are presented below.

5.3.1 Focused leadership

Data analysis established that the practicing of focused leadership (FL) in Kuwaiti banks tends to be slightly high. The mean score for practicing FL was 14.4 with a standard deviation at 5.4. This mean score constitutes 57.6% of the total score of the items measuring the practice of FL. Practicing FL differs, however, from one bank to another as shown in Table 5.23 below. The table shows that KFH ranks first ($M= 15.94$) whereas BB ranks last ($M= 13.22$) in terms of practicing FL. The mean scores of the other banks with regard to FL fall between these two values, based on bank employees' responses.

Table 5.23: Mean Score of Practicing FL in Kuwaiti Banks

Banks	N	FL	
		Mean	SD
National Bank of Kuwait (NBK)	50	13.5	5.3
Gulf Bank (GB)	50	14.92	4.8
Kuwaiti Finance House (KFH)	50	15.94	5.2
Burgan Bank (BB)	50	13.22	5.2
Civilian Kuwaiti Bank (CKB)	50	13.3	6
Kuwaiti Commercial Bank (KCB)	50	14.7	5.3
Bank of Kuwait and Middle East (BKM)	50	15.2	5.5
Total	350	14.4	5.4

The mean score for FL in all the banks is 14.4. Still, it decreases in some banks. These are: NBK, BB and CKB. The other banks practice FL at a mean score higher than the mean score of the total sample. For example, the mean scores for FL in BKM and GB amount to 15.2 and 14.92 respectively. Although there were clear differences among the banks in terms of the mean scores for FL, those differences are not statistically significant. One Way ANOVA showed that there are no significant differences among Kuwaiti banks regarding the practice of focused leadership ($P=.065$). Regarding the correlation between focused leadership and customer satisfaction, it should be noted that customer satisfaction includes performance satisfaction (PS), system satisfaction (SS), positive trend (PT), and finally total satisfaction (TS). The analysis of the data led to the results summarized in Table 5.24. The table shows that there is a positive correlation between FL and PS in all banks as a whole ($r=0.452$), except for CKB, practicing of FL is positively correlated to PS. Except for CKB, practicing FL is positively and significantly correlated with SS. There is no statistically significant correlation between practicing FL and PT for the banks, with the exception of BKM as there is a positive and significant correlation between FL and PT at this bank. Customer satisfaction (OS) has a positive and significant correlation with practicing FL at the banks, with the exception of CKB where such correlation does not exist ($R= .073$, $P>.05$). There is a positive correlation between FL and PS, SS, PT, and TS.

Table 5.24: Correlation Coefficients between FL and Customer Satisfaction

Bank	Correlations			
	P S	SS	PT	Total Satis
National Bank of Kuwait (NBK)	** .47	** .45	.13	** .49
Gulf Bank (GB)	** .56	** .603	.08	** .57
Kuwaiti Finance House (KFH)	** .54	** .55	.15	** .62
Burgan Bank (BB)	** .43	** .398	.16	** .45
Civilian Kuwaiti Bank (CKB)	.043	.091	.059	.073
Kuwaiti Commercial Bank (KCB)	* * .55	** .52	.18	** .553
Bank of Kuwait and Middle east (BKM)	** .788	** .64	* .31	** .751
Total	** .452	** .437	** .157	** .464

5.3.2 Communication leadership

The statistical analysis of responses provided by Kuwaiti bank employees to the items measuring the practice of communication leadership (CL) in their banks established the mean score for practicing CL was 15.2 (60.8%) with a standard deviation at 5.5. This mean score for practicing CL differs from one bank to another as shown in Table 5.25 below. The table shows that the rates range from 14.3 to 16, that is, 57.2% to 64% of the total score for CL. The table also shows that BKM ranks first in terms of practicing CL (M= 16), followed by GB, KFH, and finally KCB. For the rest of the banks, the mean value for practicing CL there is less than the mean that reflects the practicing of CL in the banks collectively. The mean score was 14.6 for NBK; 14.7 for BB; 14.7; and 14.3 for CBK. The mean score for practicing CL differs from one bank to another. To establish whether those differences were substantial or not, One Way ANOVA test was applied, it showed that there were no significant differences among banks in terms of mean scores for practicing CL ($F=0.732$, $p=0.621$).

Table 5.25: Mean Score of CL in Kuwaiti Banks

Banks	N	CL	
		Mean	SD
National Kuwaiti Bank (NBK)	50	14.6	5.3
Gulf Bank (GB)	50	15.9	4.8
Kuwaiti Finance House (KFH)	50	15.6	5.5
Burgan Bank (BB)	50	14.7	4.4
Civilian Kuwaiti Bank (CKB)	50	14.3	5.5
Kuwaiti Commercial Bank (KCB)	50	15.3	5.4
Bank of Kuwait and Middle East (BKM)	50	16	6.2
Total	350	15.2	5.5

The mean score of KFH for example is 15.6, while the mean score of BB is 14.7. The difference between the two scores is not substantial, and the two banks do not differ in terms of practicing CL. Regarding the relationship between CL and customer satisfaction, the following table (Table 5.26) shows correlation coefficients between practicing CL in Kuwaiti banks on the one hand, and customer satisfaction on the other in terms of PS, SS, PT, and TS. For the Kuwaiti banks collectively, there are significant correlations between CL and customer satisfaction with its various aspects on the other (last row of the table). The value of the correlation coefficient for CL and PS was 0.495; for CL and SS 0.232; for CL and PT 0.456; and finally for CL and total satisfaction 0.466. These values are statistically significant ($P < .01$). For each bank separately, it should be noted that the values of correlation differ from one bank to another. The table shows that in three banks, CL is positively and significantly correlated with customer satisfaction. These banks are: GB, KCB and BKM. CL in the other four banks is positively and significantly correlated with some, not all, the aspects of customer satisfaction separately.

Table 5.26: Correlation Coefficients between Practicing CL and Customer Satisfaction

Bank	Correlations			
	P S	S S	PT	Total Satis
(NBK) National Bank of Kuwait	** .489	.143	** .494	** .431
(GB) Gulf Bank	** .737	** .385	* * .715	* * .706
(KFH) Kuwaiti Finance House	* .361	.197	.271	.271
(BB) Burgan Bank	* .362	.113	* .326	* .348
(CKB) Civilian Kuwaiti Bank	** .384	.154	* .353	** .375
(KCB) Kuwaiti Commercial Bank	* .56	** .407	** .442	** .533
(BKM) Bank of Kuwait and Middle East	** .73	* .298	** .673	** .739
Total	** .495	* * .232	** .456	** .466

The last column of the table shows that OS is correlated with CL in all Kuwaiti banks. Except for KFH, there are positive and significant correlations between CL and both of PS and SS. It is also noted that PT is positively and significantly correlated with CL in some banks only: GB, KCB, and BKM. In the other four banks, CL is not significantly correlated with PT.

5.3.3 Trust leadership

The statistical analysis of responses provided by Kuwaiti bank employees to the items measuring the practicing of trust leadership (TL) at their banks established the mean score for practicing TL was 15.6 with a standard deviation at 5.3. This mean score constitute 62.4% of the total score of relevant items, that is 25. This indicates that TL is practiced at a relatively high degree. Practically TL differs from one bank to another as shown in the following table.

Table 5.27: Mean Score of TL in Kuwaiti Banks

Banks	N	TL	
		Mean	SD
National Kuwaiti Bank (NBK)	50	13.8	5.1
Gulf Bank (GB)	50	15.7	4.8
Kuwaiti Finance House (KFH)	50	15.2	5
Burgan Bank (BB)	50	16.8	4.8
Civilian Kuwaiti Bank (CKB)	50	14.3	5.1
Kuwaiti Commercial Bank (KCB)	50	16.4	4.8
Bank of Kuwait and Middle East (BKM)	50	16.8	6.2
Total	350	15.6	5.3

The table shows that BB and BKM rank first in terms of TL with a mean score of 16.8. They are followed, at a small difference, by KCB with a mean score of 16.4. For the rest of the banks, the mean values for practicing TL by their managers range from 13.8 to 15.7. NBK comes last in terms of TL with a mean score of 13.8. The mean score for practicing TL differs from one bank to another. One Way ANOVA showed that there are significant differences among Kuwaiti banks ($F= 2.6$, $P<.05$). According to Tukey test, there are significant differences between NBK and both of KCB and BKM. In other words, there are substantial differences between the practicing of TL by managers in KCB and BKM and the practicing of TL by managers in NBK. With regard to the correlation between TL and customer satisfaction of Kuwaiti banks, data analysis led to the results summarized in the following table:

Table 5.28 :Correlation Coefficients between Practicing TL and Customer Satisfaction

Bank	Correlations			
	P S	S S	PT	Total Satis
National Kuwaiti Bank (NBK)	** .398	** .375	.089	** .407
Gulf Bank (GB)	** .516	** .528	* .337	** .55
Kuwaiti Finance House (KFH)	.12	.23	.02	.175
Burgan Bank (BB)	* .324	.27	.03	* .31
Civilian Kuwaiti Bank (CKB)	.053	.14	.003	.02
Kuwaiti Commercial Bank (KCB)	* .32	.091	.18	.26
Bank of Kuwait and Middle East (BKM)	** .663	** .525	* .284	** .629
Total	** .31	** .289	.1	** .31

For the Kuwaiti banks collectively, there are positive correlations between TL, on the one hand, and customer satisfaction with its various aspects, on the other, in terms of PS, SS and TS ($P < .01$). Still, the practicing of TL is not correlated with PT ($R = .1$, $P > .05$). This is shown in the last row of the table.

As for each bank individually, the table shows that BKM and GB have positive and significant correlations between TL, on the one hand, and customer satisfaction with its various aspects on the other in terms of PS, SS and TS. The table shows also that PT is not correlated with practicing TL, but with the exception of these two banks. At the same time, the practicing of TL is not significantly correlated with any aspect of customer satisfaction in KFH or CKB. As such, the practicing of TL is significant to customer satisfaction in some banks only. This indicates that there are other variables affecting the relation between practicing TL and Kuwaiti banks customer satisfaction.

5.3.4 Respectful leadership

The statistical analysis of responses to the items measuring the practicing of respectful leadership (RL) by Kuwaiti bank managers established that the mean score for practicing RL was 15.5 with standard deviation 6. This mean score constitutes 62.5% of the total score, which is 25. The quantitative value which reflects the practice of RL differs from one bank to another as shown in the following table.

Table 5.29: Mean Score of Practicing RL in Kuwaiti Banks

Banks	N	RL	
		Mean	SD
National Kuwaiti Bank (NBK)	50	14.6	5.5
Gulf Bank (GB)	50	16.2	6.3
Kuwaiti Finance House (KFH)	50	15	5.4
Burgan Bank (BB)	50	15.5	5.8
Civilian Kuwaiti Bank (CKB)	50	13.5	5.4
Kuwaiti Commercial Bank (KCB)	50	16.5	5.8
Bank of Kuwait and Middle East (BKM)	50	17.04	6.9
Total	350	15.5	6

The table shows that BKM ranks first in terms of practicing RL with a mean score of 17.04. It is followed by KCB with a mean score of 16.5, and GB with 16.2. The mean scores in these three banks are higher than the mean score of all the banks collectively. The mean score of RL at BB is similar to that of the Kuwaiti banks collectively 15.5. For the remaining three banks, the mean scores for practicing RL is less than the grand mean. NBK scored a mean of 14.6; KFH 15; and KCB in the last position with 13.5, which is 54% of the total score, 25, for RL. One Way ANOVA showed that the differences between these values are significant ($F=2.1$, $P<.05$). Tukey test established that significant differences are found between BKM and CKB, at 17.4 and 13.5 respectively. Except for this, there are no

significant differences between Kuwaiti banks in terms of practicing respectful leadership. With regard to the relationship between RL and customer satisfaction, the following table shows correlation coefficients between practicing RL in Kuwaiti banks on the one hand, and customer satisfaction, on the other, in terms of PS, SS, PT, and TS:

Table 5.30 :Correlation Coefficients between RL and Customer Satisfaction

Bank	Correlations			
	PS	SS	PT	Total Satis
National Kuwaiti Bank (NBK)	** .393	.213	.096	* .331
Gulf Bank (GB)	** .591	** .656	** .400	** .654
Kuwaiti Finance House (KFH)	.155	* .289	.189	* .31
Burgan Bank (BB)	.267	* .285	.092	* .293
Civilian Kuwaiti Bank (CKB)	.004	.21	.01	.08
Kuwaiti Commercial Bank (KCB)	* .341	.23	.20	* .327
Bank of Kuwait and Middle East (BKM)	** .747	** .627	* .309	** .718
Total	** .338	** .331	** .181	** .362

The table shows that for the Kuwaiti banks collectively, there are positive and significant correlations between RL and customer satisfaction with its aspects of PS, SS, PT, and TS. As for each bank individually, the table shows that there are positive correlations between RL and customer satisfaction in terms of OS, with the exception of CKB. There are positive correlations between RL and customer satisfaction in terms of PS in some Kuwaiti banks (NKB, GB, KCB, and KMB). There are also positive correlations between RL and customer satisfaction in terms of SS in some Kuwaiti banks (GB, KFH, BB, and BKM). There are however, positive correlations between RL and customer satisfaction in terms of PT in only two Kuwaiti banks (GB and BKM).

The obvious results are the positive and significant correlations between the practicing of RL and customer total satisfaction in each bank separately (the last column at the table). At the level of all banks collectively, there are positive correlations between the practicing of RL and PS, SS, PT and TS (the last row of the table).

5.3.5 Risk leadership

The statistical analysis of responses to the items measuring the practicing of risk leadership (RIL) by Kuwaiti bank managers established that the mean score for practicing risk leadership was 13.9 with a standard deviation of 5.1. This mean score equals 55.6% of the total score of relevant items. For each bank separately, the practice of RIL is shown in the following table.

Table 5.31 :Mean Score of Practicing RIL in Kuwaiti Banks

Banks	N	RIL	
		Mean	SD
National Bank of Kuwait (NBK)	50	12.6	4.9
Gulf Bank (GB)	50	13.8	5.1
Kuwaiti Finance House (KFH)	50	13.8	4.9
Burgan Bank (BB)	50	13.5	4.03
Civilian Kuwaiti Bank (CKB)	50	13.2	5.3
Kuwaiti Commercial Bank (KCB)	50	14.6	5.1
Bank of Kuwait and Middle East (BKM)	50	15.6	6.2
Total	350	13.9	5.1

The table above shows that the mean scores for practicing risk leadership range from 12.6 to 15.6 out of 25. The table shows also that BKM ranks first in terms of practicing risk leadership with a mean score of 15.6, whereas NBK comes last with a mean score of 12.6. It is noticed that, except for BKM and KCB, the mean scores reflect levels of practicing risk leadership less than the value of the grand mean score of all the banks collectively. It is also noticeable that while the scores are close in some banks, they differ considerably in others. For example, the mean scores at GB and KFH were 13.8, whereas they fell in CKB and NKB

to 13.2 and 12.6 respectively. One Way ANOVA showed that the differences among banks in terms of mean scores for practicing risk leadership are not significant ($F=1.8$, $p>0.05$). This could be attributed to the fact that Kuwaiti banks are inclined toward proper calculation practices rather than risk avoidance. They assume that such approach protects them from loss. As such, administrative practices are based on well-known and long-established rules. Whenever there are exceptional circumstances justifying the adoption of risk leadership, such circumstances would be meticulously examined and discussed. The statistical analysis of the data also shows that the practice of RIL correlated with customer satisfaction, as it is shown in the following table.

Table 5.32: Correlation Coefficients Between Risk Leadership and Customer Satisfaction

Bank	Correlations			
	P S	S S	PT	Total Satis
National Bank of Kuwait (NBK)	* .299	* .336	.098	* .335
Gulf Bank (GB)	* .44	* * .56	* .33	* .52
Kuwaiti Finance House (KFH)	* .292	* .339	** .38	** .48
Burgan Bank (BB)	.25	.22	.093	.22
Civilian Kuwaiti Bank (CKB)	.01	.12	.054	.023
Kuwaiti Commercial Bank (KCB)	.17	.08	.19	.17
Bank of Kuwait and Middle East (BKM)	** .624	** .512	* .28	.600
Total	** .27	** .29	* * .153	** .296

The table above shows that for the Kuwaiti banks as a whole, there are positive and significant correlations between risk leadership and customer satisfaction with its aspects of PS, SS, PT, and TS. As for each bank individually, the table shows that the situation is slightly different. There are significant correlations between risk leadership and customer satisfaction in terms of PS, SS, and TS at NBK, GB, KFH, and BKM. Further, the practice of

risk leadership has a significant correlation with PT in all banks with the exception of NBK. There are also significant correlations between RIL and customer satisfaction in terms of PS in some Kuwaiti banks (NKB, KFH, BB, and BKM).

Except for the above, risk leadership is not significantly correlated with customer satisfaction. For example, there are no significant correlations between risk leadership and any aspect of customer satisfaction at BB, CKB, and KCB. This result does simply indicate that there are other factors that explain customer satisfaction with Kuwaiti banks, and that risk leadership is correlated with customer satisfaction but not with all Kuwaiti banks.

5.3.6 Bottom-line leadership

As for the practicing of bottom-line leadership (BL) in Kuwaiti banks, the statistical analysis of the data established that the mean score for practicing bottom-line leadership was 14.8 (59.2% of the total score, 25, of relevant items) with a standard deviation at 5.6. This mean score for practicing bottom-line leadership differs from one bank to another as shown in the following table.

Table 5.33: Mean Scores for Practicing Bottom-line Leadership in Kuwaiti Banks

Banks	N	BL	
		Mean	SD
National Bank of Kuwait (NBK)	50	13.04	5.3
Gulf Bank (GB)	50	15.4	5.6
Kuwaiti Finance House (KFH)	50	15.5	4.8
Burgan Bank (BB)	50	13.9	5.7
Civilian Kuwaiti Bank (CKB)	50	14.1	5.8
Kuwaiti Commercial Bank (KCB)	50	15.6	5
Bank of Kuwait and Middle East (BKM)	50	15.8	6.5
Total	350	14.8	5.6

The table shows that the mean scores for practicing bottom-line leadership range from 13.04 to 15.8, that is, 52.6% to 63.2% respectively. The table shows also that BKM ranks

first in terms of practicing bottom-line leadership with a mean score of 15.8. It is followed by KCB at 15.6. The mean scores for practicing bottom-line leadership at GB and KFH is less than the value of the grand mean of all the banks collectively. The scores of the other three banks, NBK, BB, and CKB, are less than the value of the grand mean of all the banks collectively.

Despite the differences among the banks in terms of the level of practicing bottom-line leadership, the statistical analysis established that those differences are not significant ($F=1.9$, $p>.05$). This indicates that Kuwaiti banks are not different in practicing bottom-line leadership. For example, whereas the mean scores of BKM and NBK were 15.8 and 13.04 respectively, the difference between the two scores is accidental, not substantial. The same applies to all the other banks. With regard to the correlation between bottom-line leadership and customer satisfaction, the data analysis established the results shown in the following table

Table 5.34: Correlation Coefficients between Bottom-line Leadership and Customer Satisfaction

Bank	Correlations			
	P S	S S	PT	Total Satis
National Bank of Kuwait (NBK)	* .34	* .35	.061	* .36
Gulf Bank (GB)	* * .53	* * .61	* .33	* * .59
Kuwaiti Finance House (KFH)	* * .42	** .53	.13	* * .35
Burgan Bank (BB)	.22	* .312	.19	* .298
Civilian Kuwaiti Bank (CKB)	.014	.193	.07	.043
Kuwaiti Commercial Bank (KCB)	.244	.21	.11	.25
Bank of Kuwait and Middle East (BKM)	** .70	** .572	* .299	** .67
Total	* * .33	** .37	* .123	** .36

The table shows that PS has a significant correlation with bottom-line leadership in most of the banks (NBK, GB, KFH, and BKM). There is also a significant correlation between SS and bottom-line leadership in these banks in addition to BB. Moreover, PT has a significant correlation with bottom-line leadership in only two banks (GB and BKM). There is no significant correlation between PT and bottom-line leadership in the other banks. Total satisfaction has a positive and significant correlation with bottom-line leadership in five banks, which are NBK, GB, KFH, BB and BKM. There is no significant correlation between Total Satisfaction and bottom-line leadership in CKB or KCB.

As for the Kuwaiti banks collectively, Table 5.34 shows that there are significant correlations between bottom-line leadership and customer satisfaction. PS is correlated with bottom-line leadership at 0.33; SS with bottom-line leadership at 0.37; PT with bottom-line leadership at 0.123; TS with bottom-line leadership at 0.36. All these values are statistically significant ($p=01$).

5.3.7 Empowerment leadership

The statistical analysis of responses to the items measuring the practicing of Empowerment Leadership (EL) by Kuwaiti bank managers established that the mean score was 15.2 with a standard deviation at 5.6. This mean score equals 60.8 % of the total score, 25, of relevant items. In other words, according to bank employees, their managers practice EL by 60.8 %. However, the mean score for practicing EL differs from one bank to another, as shown in Table 5.35 below. The table shows that the mean scores for practicing EL range from 13.7 to 17, that is 54.8 % to 68 % respectively. It is also noted that the mean score for EL in all the banks collectively amounts to 15.2, which is 60.8 %. The table shows also that KFH ranks first in terms of practicing EL with a mean score of 17. It is followed by KCB at 16.1; BKM at 15.7; and GB at 15.2.

Table 5.35: Mean Score of Empowerment Leadership in Kuwaiti Banks

Banks	N	Empowered Leadership	
		Mean	SD
National Bank of Kuwait (NBK)	50	13.9	5.4
Gulf Bank (GB)	50	15.2	5.6
Kuwaiti Finance House (KFH)	50	17	5.5
Burgan Bank (BB)	50	13.7	5.4
Civilian Kuwaiti Bank (CKB)	50	14.6	5.1
Kuwaiti Commercial Bank (KCB)	50	16.1	7.5
Bank of Kuwait and Middle East (BKM)	50	15.7	5.9
Total	350	15.2	5.6

It is also noticeable that the scores of the other three banks, NBK (13.9), BB (13.7), and CKB (14.6), are less than the value of the grand mean of all the banks collectively. The analysis of the data established that the differences among Kuwaiti banks with regard to practicing EL are significant ($F = 2.3$, $p = 0.03$). Tukey test established significant differences between KFH on the one hand and BB on the other. The mean score at KFH is higher than the mean scored at BB. Apart from this, the differences among Kuwaiti banks with regard to EL are not substantial ($P > .05$). Regarding the relationship between empowerment leadership and customer satisfaction, Table 5.36 below shows the correlation coefficients between EL and customer satisfaction of Kuwait banks in terms of PS, SS, PT, and total satisfaction. The table shows that practicing EL has no significant correlation with PT in all Kuwaiti banks. Whereas, PSK, SS and TS have significant correlations with EL in all banks except for CKB.

Table 5.36 :Correlation Coefficients between EL and Customer Satisfaction

Bank	Correlations			
	P S	S S	PT	Total Satis
National Bank of Kuwait (NBK)	** .54	* .321	.005	** .398
Gulf Bank (GB)	** .442	** .523	.245	** .492
Kuwaiti Finance House (KFH)	** .556	** .665	.064	** .587
Burgan Bank (BB)	** .41	* .31	.193	** .41
Civilian Kuwaiti Bank (CKB)	.085	.231	.14	.168
Kuwaiti Commercial Bank (KCB)	* .348	* .292	.035	* .31
Bank of Kuwait and Middle East (BKM)	** .694	** .604	.232	** .668
Total	** .418	** .416	.083	** .421

At the level of all Kuwaiti banks collectively, EL has significant correlations with all aspects of customer satisfaction except for PT. In short, EL is not correlated with PT, and it has no significance with regard to customer satisfaction at CKB. Apart from this, EL has positive correlations with customer satisfaction at the other banks.

5.3.8 Long-term leadership

Responses of Kuwaiti banks' employees to the items measuring the practicing of long term leadership (LTL) by Kuwaiti bank managers established that the mean score for practicing LTL was 15.1 with a standard deviation of 5.6. This mean score equals 60.4 % of the total

score of relevant items. The quantitative value reflecting the practice of LTL differs from one bank to another as shown in the following table.

Table 5.37 :Mean Scores for Practicing LTL in Kuwaiti Banks

Banks	N	LTL	
		Mean	SD
National Bank of Kuwait (NBK)	50	14.1	5.6
Gulf Bank (GB)	50	15.6	5.2
Kuwaiti Finance House (KFH)	50	15.8	5.6
Burgan Bank (BB)	50	14.6	4.7
Civilian Kuwaiti Bank (CKB)	50	13.8	6.1
Kuwaiti Commercial Bank (KCB)	50	15	5.5
Bank of Kuwait and Middle East (BKM)	50	16.6	6.1
Total	350	15.1	5.6

The table above shows that the mean scores for practicing LTL range from 13.8 to 16.6, that is 55.2 % to 66.4 % respectively. BKM ranks first in terms of practicing LTL with a mean score of 16.6, whereas CKB comes last with a mean score of 13.8. There are also banks with LTL values below the grand mean. These are NBK (M= 14.1); BB (M= 14.6); KCB (M= 15). The table shows also that LTL values are higher than the grand mean of three banks: GB (M= 15.6); KFH (M= 15.8); BKM (M= 16.6). One Way ANOVA established that differences among Kuwaiti banks in practicing LTL are not significant ($F= 1.7$, $P>.05$). Practicing LTL is proven to be correlated with customer satisfaction of Kuwaiti banks as it is shown in the following table.

Table 5.38 :Correlation Coefficients Between LTL and Customer Satisfaction

Bank	Correlations			
	Total Satis	PT	S S	P S
National Bank of Kuwait (NBK)	* .34	.05	* .328	* .325
Gulf Bank (GB)	** .42	.15	** .48	** .37
Kuwaiti Finance House (KFH)	** .56	.15	** .51	** .46
Burgan Bank (BB)	* .318	.18	.22	* .322
Civilian Kuwaiti Bank (CKB)	- .10	- .05	- .04	- .13
Kuwaiti Commercial Bank (KCB)	.2	.02	.12	.25
Bank of Kuwait and Middle East (BKM)	** .54	* .36	** .44	** .55
Total	** .28	.11	** - .26	** .26

The table shows that BKM is the only bank where LTL has positive and significant correlations with customer satisfaction with its all dimensions (PS, SS, PT, and TS). There are positive and significant correlations between LTL and customer satisfaction in terms of PS, SS, and TS in NBK, GB, and there are positive significant correlations between the practicing of LTL and customer satisfaction in terms of PS and TS in BB. However there are no significant correlations between LTL and customer satisfaction in terms of PT in Kuwaiti banks with the exception of BKM. At the level of all Kuwaiti banks collectively, there are positive and significant correlations between LTL and customer satisfaction with its aspects of PS, SS and TS.

5.3.9. Organizational leadership

Regarding the practice of Organizational Leadership (OL) in Kuwaiti banks, the statistical analysis established that the mean score was 14.8 with a standard deviation of 5.8. This mean score equals 59.2 % of the total score of relevant items, that is, 25. It is clear that the mean score for practicing OL in Kuwaiti banks compared to the mean scores of other styles, is relatively low. This mean score for practicing OL differs from one bank to another as shown in the following table.

Table 5.39 :Mean Scores of OL in Kuwaiti Banks

Banks	N	OL	
		Mean	SD
National Bank of Kuwait (NBK)	50	13.1	5.5
Gulf Bank (GB)	50	15.8	5.7
Kuwaiti Finance House (KFH)	50	15.1	5.6
Burgan Bank (BB)	50	15.2	4.3
Civilian Kuwaiti Bank (CKB)	50	13.6	5.6
Kuwaiti Commercial Bank (KCB)	50	15	5.5
Bank of Kuwait and Middle East (BKM)	50	16	5.6
Total	350	14.8	5.5

The table above shows that the mean scores for practicing OL range from 13.1 to 16 out of 25. There are two banks where the mean scores are below the grand mean. These are NBK (M= 13.1) and CKB (M= 13.6). As for the other five banks, the mean scores are higher than the grand mean. The table shows, for example, OL value at BKM is 16 and at GB 15.8. The two values are higher than the grand mean of the Kuwaiti banks all together. Despite the variation in OL mean scores in Kuwaiti banks individually, these scores are not much higher

than the grand mean of 14.8. One Way ANOVA established that there are no statistically significant differences among Kuwaiti banks in terms of practicing OL ($F= 2.1$, $P>.05$). While the mean score of practicing OL at BKM, for example, is 16, and for NBK is 13.1, the difference between the two banks in terms of practicing OL is not substantial, but accidental. With regard to the relationship between OL and customer satisfaction, the analysis of the data gave the results shown in the following table.

Table 5.40 : Correlation Coefficients Between OL and Customer Satisfaction

Bank	Correlations			
	PS	S S	P T	Total Satis
National Bank of Kuwait (NBK)	* .29	* .30	.023	* .29
Gulf Bank (GB)	* * .42	** .48	.19	* * .45
Kuwaiti Finance House (KFH)	* .29	** .46	* .26	** .41
Burgan Bank (BB)	* * .41	* * .52	* .32	* * .52
Civilian Kuwaiti Bank (CKB)	-.053	.02	-.18	.15
Kuwaiti Commercial Bank (KCB)	.005	-.04	-.16	-.03
Bank of Kuwait and Middle East (BKM)	** .63	** .61	* .35	** .49
Total	** .24	** .27	* .11	** .29

The table shows that at the level of all Kuwaiti banks collectively, there are positive and significant correlations between OL and customer satisfaction in terms of PS, SS, PT, and TS (see last row in the table). At the level of Kuwaiti banks individually, there are positive and significant correlations between the practicing of OL and customer satisfaction with all its aspects at KFH, BB, and BKM. However, there are no significant correlations between OL and any aspect of customer satisfaction at CKB and KCB. Also, there are

positive and significant correlations between OL and customer satisfaction in terms of PS, SS, and TS at NBK and GB. The practicing of OL at these two banks is not correlated with PT.

5.3.10. Cultural leadership

The statistical analysis of responses to the items measuring the level of practicing of Cultural Leadership (CUL) by Kuwaiti bank managers established that the mean score was 15.4 with a standard deviation 4.3. This mean score equals 61.6 % of the total score of relevant items, that is 25. The mean score for practicing CUL differs from one bank to another as shown in the following table.

Table 5.41: Mean Score of CUL in Kuwaiti Banks

Banks	N	OL	
		Mean	SD
National Bank of Kuwait (NBK)	50	13.6	5.3
Gulf Bank (GB)	50	15.7	5.4
Kuwaiti Finance House (KFH)	50	15.9	5
Burgan Bank (BB)	50	16.2	4.2
Civilian Kuwaiti Bank (CKB)	50	13.7	6
Kuwaiti Commercial Bank (KCB)	50	16	5.7
Bank of Kuwait and Middle East (BKM)	50	17	5.8
Total	350	15.4	5.5

The table shows that the mean scores for practicing CUL range from 13.6 to 16 out of 17. BKM ranks first with a mean score of 17, whereas NBK ranks last with a mean score of 13.6. There are two banks where the mean scores are below the grand mean. These are NBK

and CKB. As for the other five banks, the mean scores are higher than the grand mean. While the grand mean is 15.4, the mean score for BKM is 17, for KCB is 16, and for BB is 16.2. There are significant differences among Kuwaiti banks in practicing cultural leadership ($F=2.8$, $p=0.01$). This is also supported by the relatively high differences among the banks. Tukey test also shows that the differences are substantial in the case of some, not all, banks. Specifically, the substantial (statistically significant) differences are between BKM and both of NBK and KCB, where the value of practicing of CUL at BKM is significantly higher than the values of practicing CUL at NBK and BCK, and GB and NBK, where the value of practicing CUL in GB is significantly higher than the value of practicing CUL in NBK.

Apart from the above, the level of differences among Kuwaiti banks with regard to the practicing of CUL is not substantial or statistically significant. The results of the analysis of the data on the relationship between practicing CUL in Kuwaiti banks and customer satisfaction are presented in the following table.

Table 5.42: Correlation Coefficients Between CUL and Customer Satisfaction

Bank	Correlations			
	P S	S S	PT	Total Satis
National Bank of Kuwait (NBK)	.28	.187	.06	.25
Gulf Bank (GB)	* .34	* * .49	.19	* * .415
Kuwaiti Finance House (KFH)	** .53	** .56	.095	** .52
Burgan Bank (BB)	* * .44	* * .37	.23	* * .46
Civilian Kuwaiti Bank (CKB)	-.08	.123	-.02	-.007
Kuwaiti Commercial Bank (KCB)	-.02	.002	-.12	-.03
Bank of Kuwait and Middle East (BKM)	** .65	** .52	.21	** .61
Total	** .24	** .27	.02	* * .25

The table shows that the practicing of CUL is not correlated with PT at any of the Kuwaiti banks studied. Also, the practicing of CUL is not correlated with any aspects of customer satisfaction at CKB, KCB and NBK. However, there are positive and significant correlations between CUL and customer satisfaction in terms of PS, SS, and TS at GB, BB, and BKM. At the level of Kuwaiti banks collectively, there are positive and significant correlations between the practice of CUL and customer satisfaction in terms of PS, SS, and TS. There is no correlation between CUL and PT.

5.3.11. Total leadership styles

The previous ten points exhibited the results reached by the study with regard to the relationship between each leadership style with customer satisfaction. The current point includes the results reached by the study with regard to the relationship between customer satisfaction and total leadership styles (TLS) as a whole in Kuwaiti banks. The statistical analysis of responses to the items measuring the practicing of TLS by Kuwaiti bank managers established that the mean score for practicing TLS was 149.74, that is 59.9 % of the total score of relevant items, with a standard deviation of 46.4. In other words, the managers of Kuwaiti banks scored about 60 % in their practicing of TLS. The mean score for practicing TLS differs from one bank to another as shown in Table 5.43 below.

The table shows that the mean scores for practicing TLS range from 137 to 161.8, that is 54.8 % to 64.72 % respectively. BKM ranks first with a mean score of 161.8, whereas NBK ranks last with a mean score of 137. There are three banks, NBK, CKB, and BB, where the mean scores are below the grand mean. As for the other four banks, GB, KFH, KCB, and BKM, the mean scores are higher than the grand mean. One Way ANOVA established that there are no significant differences among Kuwaiti banks regarding the quantitative value of practicing TLS ($F= 2.05$, $P>.05$). For example, the mean score for practicing TLS at BKM is 161.8, while it amounts to 147.2 at BB. The difference between the two values is not significant.

Table 5.43: Mean Scores of TLS in Kuwaiti Banks

Banks	N	TLS	
		Mean	SD
National Bank of Kuwait (NBK)	50	137	45.4
Gulf Bank (GB)	50	154.1	49.4
Kuwaiti Finance House (KFH)	50	154.7	41.8
Burgan Bank (BB)	50	147.2	37.2
Civilian Kuwaiti Bank (CKB)	50	138.4	46.1
Kuwaiti Commercial Bank (KCB)	50	155.1	44.2
Bank of Kuwait and Middle East (BKM)	50	161.8	55.3
Total	350	149.7	46.4

Regarding the relationship between TLS and customer satisfaction, the following table shows the correlation coefficients between TLS in Kuwaiti banks and customer satisfaction, in terms of PS, SS, PT, and TS.

Table 5.4: Correlation Coefficients Between TLS and Customer Satisfaction

Bank	Correlations			
	P S	S S	PT	Total Satis
National Bank of Kuwait (NBK)	** .43	** .392	 .09	** .432
Gulf Bank (GB)	** .551	** .639	* .318	** .611
Kuwaiti Finance House (KFH)	** .454	** .543	 .164	** .574
Burgan Bank (BB)	** .424	** .42	 .185	** .471
Civilian Kuwaiti Bank (CKB)	 .02	 .187	 .014	 .082
Kuwaiti Commercial Bank (KCB)	* .332	 .239	 .115	* .309
Bank of Kuwait and Middle East (BKM)	** .747	** .618	* .322	** .718
Total	** .393	** .405	** .151	** .416

The table above shows that the CKB is the only bank, at which TLS are not correlated with any aspect of customer satisfaction. All correlation values are not statistically significant ($P > .05$). Except CKB, practicing TLS is correlated with TS of other Kuwaiti banks. There are positive and significant correlations between TLS and customer satisfaction in terms of PT at GB and BKM. At these two banks, TLS are correlated with all the aspects of customer satisfaction. There are positive and significant correlations between TLS and customer satisfaction in terms of PS at all banks, except for CKB. There are positive and significant correlations between TLS and customer satisfaction in terms of SS at all banks, except for CKB and KCB.

In general, there are positive correlations between TLS and customer satisfaction, with the exceptions stated in the table. The table includes 32 cells, each includes a correlation coefficient. A total of 23 cells include significant values, while the values of the other nine are not significant.

5.3.12. Job satisfaction as a mediating factor

As explained earlier, this study considers employee job satisfaction as a mediating factor in the relationship between customer satisfaction (CS) and leadership styles (LS). Specifically, it attempts to answer the question of: *To what extent does job satisfaction increase or decrease such relationship?* To answer this question, correlation coefficient between customer satisfaction and leadership styles was calculated twice. At the first time, Pearson correlation was calculated *without* controlling job satisfaction. At the second time partial correlation was calculated *with* controlling job satisfaction. Accordingly, two values of correlation coefficients between CS and LS were available; the first value shows the relationship before controlling job satisfaction (BCJS) while the second after controlling job satisfaction (ACJS). The following table summarizes the results.

Table 5.45: The Relationship between Leadership Style and Customer Satisfaction

Leadership styles	Correlation with customer satisfaction	
	BCJS	ACJS
Focused Leadership	.464**	.496**
Communication Leadership	.50**	.53**
Trust Leadership	.31**	.37**
Respectful Leadership	.36**	.41**
Risk Leadership	.30**	.35**
Bottom-line Leadership	.36**	.42**
Empowered Leadership	.42**	.45**
Long-term Leadership	.28**	.32**
Organizational Leadership	.27**	.32**
Cultural leadership	.25**	.28**
Total leadership styles	.42**	.48**

**p=.01

The table above shows the following results:

1. There is a significant positive relationship between customer satisfaction and each style of leadership. This indicates that the increasing practice of leadership styles contingencies with the increasing of customer satisfaction. It should be noted that this does not mean casual relationship, rather it means agreement of occurrence because when the practice of leadership styles increases, the customer satisfaction also increases.
2. The positive relationship between customer satisfaction and leadership styles is still being significant even after controlling job satisfaction. This mean that job satisfaction did not significantly affect such relationship. We cannot say that the

effect of leadership on customer satisfaction of Kuwaiti banks depends on job satisfaction of those who are working at those banks.

3. There is a small increase in values of correlation coefficients between leadership styles and customer satisfaction after controlling job satisfaction. No value of correlations is transferred from being significant to being insignificant after controlling job satisfaction and vice versa.
4. Leadership styles have medium or weak, but significant, relationship with customer satisfaction. Communication leadership and focused leadership have the strongest relationship with customer satisfaction before and after controlling job satisfaction. This indicates the importance of the effective communication and focused view for Kuwaiti banks. It should be noted that practicing of other styles of leadership is also important as total leadership styles (TLS) is significantly correlated with customer satisfaction ($r=0.42$ and 0.48) before and after controlling job satisfaction respectively.

5.3.13. Summary of the Results on Leadership Styles and Customer Satisfaction

The results from the analysis of responses in respect to the relationship between leadership styles and customer satisfaction can be summarized as follows:

- Managers of Kuwaiti banks practice leadership styles in moderation. Mean scores reflecting the practice of such styles range between 14 and 15.6 constituting 56 % to 62.4 % of total score which is 25. Trust leadership is the most popular in the practice of leadership by managers of Kuwaiti banks while the risk leadership is least. There is a significant and positive relationship between these styles of leadership and customer satisfaction of Kuwaiti banks.

- The mean score for practicing TLS at all Kuwaiti banks is equivalent to 59.9% of the total 250. There are no significant differences among Kuwaiti banks in terms of mean score for TLS. There are positive and significant correlations between TLS and all aspects of customer satisfaction at GB and BKM. Except at CKB, TLS has positive and significant correlations with customer satisfaction in terms TS. Notably, CKB is the only bank, at which there are no correlations between TLS and any aspects of customer satisfaction. There are positive and significant correlations between TLS and PS and SS at most Kuwait banks. Customer satisfaction increases when TLS rises.

5.4. Summary and conclusions

It can be concluded from the above that the main findings of the study are:

- The majority of the Kuwaiti banks' customers were satisfied with the performance of the banks they dealt with. They were satisfied, in overall, with the banks working systems and their positive trend.
- Specifically, customer satisfaction with regard to bank performance was at 71% - 91.8% of those studied. Kuwait Finance House ranked first in this category and the Bank of Kuwait and Middle East ranked last.
- There are differences among banks with regard to their performances, depending upon demographic characteristics such as gender, age, education, and marital status, which were found to have significant influence on satisfaction. It was found that characteristics such as the place of work and the place of residence did not show significant influence on customer satisfaction.
- The study also gives evidence to support the idea that customer satisfaction differs from one bank to another. KFH ranked first in overall and BKM was last. Particularly KFH and NBK ranked higher than the other Kuwaiti banks in terms of overall customer satisfaction.

- The characteristics that influence customer satisfaction, according to the findings, are the customer's gender, age, and marital status.
- The study also showed job satisfaction was affected by employee characteristics such as income and marital status, but not affected by characteristics such as gender, age and education. Low-income employees expressed high job satisfaction compared with those of high income. The widowed, the divorced and the married employees expressed high job satisfaction compared with single employees.
- In overall, the majority of Kuwaiti bank employees expressed satisfaction with their jobs. However, out of the 82 % who expressed satisfaction with their jobs, 54.7 % were only slightly satisfied. There were no significant differences between Kuwaiti banks in terms of employees' job satisfaction.
- At the level of Kuwaiti banks as a whole, there is a significant and positive correlation between customer satisfaction and employees' job satisfaction. For each bank separately, there are significant and positive correlations between customer satisfaction and job satisfaction in four banks while there are no significant relationships between customer satisfaction and job satisfaction in the other three banks.
- Customer satisfaction with regard to bank systems was high at 81.7 %. KFH ranked first in this regard. The mean score for KFH was substantially different from the scores of all the other banks. Other differences were not substantial. The core differed also in relation to demographics. Gender, education, and marital status indicated correlation, while age, profession and governorate of residence did not.
- Customer positive trend was high, showing 71.1 %. NBK ranked first in this regard. The lowest was by BB and CBK. The scores differed according to educational status and marital status, but did not differ according to age, gender, job, and governorate of residence.
- Overall satisfaction was not significantly different in relation to education, job, and governorate of residence. Regarding bilateral significance: Males of more than 50 years were more likely to be satisfied. While females of more than 50 were less likely

to be satisfied. Widows and divorced between the ages of 25 and 50 were more likely to be satisfied while widows or divorced less than 25 years old were less likely.

- Managers of Kuwaiti banks practice leadership styles in moderation. The most commonly used leadership style is trust leadership among the styles used by managers of Kuwaiti banks. The risk leadership style is the least commonly used. There is a significant and positive relationship between these styles of leadership and customer satisfaction of Kuwaiti banks.
- The average rate for practicing TLS at all Kuwaiti banks is 59.9 % of the total score. There are no significant differences among Kuwaiti banks in terms of TLS. There are positive and significant correlations between TLS and all aspects of customer satisfaction at GB and BKM. Except at CKB, TLS has positive and significant correlations with customer satisfaction in terms of TS. Notably, CKB is the only bank, at which there are no correlations between TLS and any aspects of customer satisfaction. There are positive and significant correlations between TLS and PS and SS at most Kuwait banks.

The findings listed above are discussed in the next chapter in relation to the literature reviewed earlier and in the Kuwaiti socio-economic context.

CHAPTER SIX

DISCUSSION OF THE FINDINGS

6.1. Introduction

The previous chapter shows a positive relationship between leadership styles and customer satisfaction of Kuwaiti banks. The positive relationship is the way the customers perceive the service of the bank, such as understanding the customers' needs and paying attention to their needs. Such positive relationship is also mediated by variables such as job satisfaction, bank and customer characteristics. This chapter provides a discussion of the study findings in the frame of its perspective, significance and applications. The discussion concentrates on how and why leadership positively affects customer satisfaction of Kuwaiti banks. It starts with a summary of the key findings and then a discussion of each one of them.

6.2. The Key findings

The key findings of the study, which are stated in the conclusion of the last chapter, can be summarized in relation to customer satisfaction on the one hand and the effects of leadership on customer satisfaction on the other, as discussed below.

6.2.1. Customer satisfaction

The study shows that the customers of Kuwaiti banks expressed relatively high satisfaction in terms of performance satisfaction (PS) and system satisfaction (SS). The sample also expressed a relatively positive trend (PT) regarding banks. The customer sample scored 80.1% of the total satisfaction score. Customer satisfaction differs from one bank to another and it also varies according to customer characteristics in terms of gender, age, and marital status.

At the level of each bank separately, the results indicated that Kuwait Finance House (KFH) ranked first in terms of customer satisfaction. This particular organization has been established in accordance with the tenets of Islam and the employees of this financial institution are implicitly expected to perform their tasks with religious zeal. Therefore, the value system of employees of KFH might have contributed to its perceived superior performance relative to other banks in the country. Surprisingly, however, the Kuwait Finance House scored relatively low in terms of customers' positive trend. It has a rather limited range of service mix compared with the comprehensive service mix of the National Bank of Kuwait and other commercial banks. This might have been the reason behind such a score. The National Bank of Kuwait received also high marks in terms of overall customer satisfaction. There were significant differences among the banks surveyed in terms of overall customer satisfaction. The National Bank of Kuwait ranked first in terms of positive trend. This particular bank has taken unfailing steps to offer a wide array of online services to its customers (NBK, 2004). This confirms Ryals and Payne's (2001) view that the bank that applies new and sophisticated technologies facilitating high quality services is more likely to command positive trend.

6.2.2. Effects of leadership on customer satisfaction

The most important result of the current study is that a positive relationship was found between leadership styles and customer satisfaction in Kuwaiti banks. The mean scores differed from one bank to another. For example, the Kuwait Finance House ranked first in terms of the use of Focused Leadership (FL) style while other banks demonstrated variations in the application of FL style, although their differences were not statistically significant. However, a positive correlation was found across banks, between FL and (a) performance satisfaction, (b) system satisfaction, (c) customers' positive attitudes, and (d) overall job satisfaction. Moreover, there was a positive correlation between customer satisfaction and a higher level of FL.

Moreover, according to this study, Kuwaiti bank managers adopted also a Communication Leadership style (CL). There was a positive correlation between CL and

customer satisfaction. Similar to the evidence of FL, differences were also found among the Kuwaiti bank managers in terms of the use of CL. However, these differences were not statistically significant. The current research study reveals that demographic factors did actually influence the link between customer satisfaction and CL.

The study has also found that Trust Leadership (TL) is practiced in Kuwaiti banks. The majority of the respondents surveyed indicated that TL style was used in the Kuwaiti banks. The study found a positive correlation between TL and all aspects of customer satisfaction. However, there were differences in mean scores across the banks. The relationship between TL and customer satisfaction was also affected by demographic differences and levels of job satisfaction. Similarly, there were differences among Kuwaiti banks in terms of Respectful Leadership (RL). All aspects of customer satisfaction had a positive correlation with RL.

In Kuwait, as this study has shown, customer satisfaction increases with increasing Risk Leadership (RIL) styles. The application of RIL styles varied across Kuwait banks. Curiously enough, the respondents ranked the Bank of Kuwait and Middle East first in terms of application of RIL style. The most profitable bank, National Bank of Kuwait was ranked lowest in terms of RIL style. An important finding here is that Kuwaiti banks generally play safe and are cautious in their risk management strategies. This supports Al-Fauri's (2002) findings that risk leadership is visible in several countries of Africa, Latin America and Asia. He hypothesised that with greater intensity of RIL style, the greater the chances of bad and doubtful debt. In some circumstances, the banking difficulties could perhaps be partly explained by focusing on risk.

The study of the relationship between customer satisfaction and empowerment leadership (EL) demonstrated that the Kuwait Finance House was ranked first among Kuwaiti banks. The statistical analysis clearly indicated that the differences among the Kuwaiti banks in terms of the application of EL style were significant. However, some bank managers in Kuwait appeared to be leading by empowering their employees. Empowerment involves increasing the discretion of the employees in decision-making. Some bank customers pointed out during the interviews that they wanted lower level employees to be empowered by senior managers to make some tactical decisions. In order to cope with increasing work demands,

bank managers have to empower their employees, sharing the workload. This kind of empowerment has the potential to enhance customer satisfaction.

Regarding the relationship between Long-term Leadership (LTL) and customer satisfaction, the results of this study are mixed. For example, in the Bank of Kuwait and Middle East, all forms of customer satisfaction were positively correlated with LTL style. In other banks, however, gaps existed in the relationship between LTL style and customer satisfaction. Theoretically, it is important that bank managers in Kuwait use a leadership style that addresses the long-term interests of all the stakeholders in the banking sector. Moreover, it was found that Organizational Leadership (OL) was positively correlated with all forms of customer satisfaction in Kuwaiti banks except ABK and CBK. When examining the relationship between Cultural Leadership (CUL) and customer satisfaction it was found that Kuwaiti banks differed in terms of relationship between the CUL style and aspects of customer satisfaction. Many of the bank employees interviewed said that they preferred leaders who were competent decision-makers and who were sensitive to the cultural contexts in which they were operating. One general conclusion that emerges from the literature on leadership styles is that effective managers hardly use any one single style of leadership. Instead, they tend to adjust their styles to the given situation and this study supports that conclusion.

6.3. Interpretation and discussion of the findings

The above-mentioned list of findings related to the relationship between leadership styles, customer satisfaction and job satisfaction in Kuwaiti banks. This section will discuss these findings in relation to the literature that was reviewed earlier in this thesis and in relation to the research aims and objectives. The findings are also discussed in relation to the factors that influence the current banking practices in Kuwait.

6.3.1 Discussion of the findings on customer satisfaction

The section will discuss the main findings related specifically to customer satisfaction regarding the Kuwaiti banks' performance, work system, and positive trend. Also, the

findings of the overall customer satisfaction, which is the combination of the three factors mentioned above, will be discussed. Finally, the findings related to demographic factors are also discussed.

6.3.1.1 Customer satisfaction with bank performance

Most customers were satisfied with the performance of the banks they dealt with. Bank performance was measured in terms of factors such as the period of waiting for service, the attention paid to the customer by the bank employees through the time of execution of the service. In general, the results indicate that there was a high level of satisfaction with the performance of all banks, regardless of their differences because of the standardized system of customer service that exists in all commercial banks. As explained earlier, the Kuwaiti banks adopt international standards in providing their services and therefore customers expect high standards of service from the banks they deal with.

6.3.1.2 Customer satisfaction with bank work systems

The term bank work system was used to describe such actions as problem solving, answering of inquiries, and services of the bank in general. The study has shown that most customers reported satisfaction with the bank work system. Customer satisfaction with the work systems of Kuwait was high in overall. This high percentage of customer satisfaction towards the bank work system could be due to the standardization procedures of the work in the banks in general.

Mean scores for customer satisfaction with bank work systems differed significantly according to gender, education, and marital status. Females, compared to males, expressed more satisfaction. Those with higher education, compared to those with less education, expressed more satisfaction. Also, the married compared to the bachelors or the divorced and widows, expressed more satisfaction. The variables of age, profession, and governorate of residence showed no effect on customer satisfaction with bank work systems.

Regarding the differences between female and male customers satisfaction with the bank work systems, one may expect women to prefer the KFH because of its Islamic culture, which separates women from men in their services. However, in comparison with NBK, which is a non-Islamic bank, there was an almost equally high level of customer satisfaction. This leads to the conclusion that regardless of the background of the bank culture, a bank can attain high customer satisfaction by emphasizing a high quality of the work systems.

6.3.1.3 Customer positive trend toward Kuwaiti banks

Positive Trend (PT) toward banks refers to the intention of the customer to continue dealing with the bank, his/her willingness to advise others to deal with the same bank, his/her conviction that their bank is the best compared to others, and that there are no note-worthy problems in dealing with his/her bank. The analysis of the data has shown that the mean score for PT among all Kuwaiti banks differed from one bank to another. That means there were significant differences among the banks in terms of their customers positive trends. Also, while the mean score for customer PT differed from one bank to another, it differed according to customer characteristics. For example, the customers with the highest level of education, compared to those with less education, expressed more positive trend toward their banks. As for the marital status variable, those who were married expressed more positive trend than the bachelors or the divorced and widowed.

6.3.1.4 Overall customer satisfaction toward Kuwaiti banks

Overall satisfaction was reached by combining satisfaction with performance, satisfaction with work systems, and positive trend. The study supports the hypothesis that customer satisfaction differs from one bank to another. Particularly KFH and NBK ranked significantly higher than the other Kuwaiti banks in terms of overall customer satisfaction. The KFH ranked first and BKM was last.

6.3.1.5 Discussion of the findings of demographic variables affecting customer satisfaction of Kuwaiti banks

The study used various demographic variables to categorize the participants. Such variables included education, age, marital status, gender, governorate, governorate of job, and governorate of residence. The study addresses 15 interactions, among 6 variables. The characteristics that influence customer satisfaction, according to the findings, are the customer's gender, age, and marital status.

Males, compared to females, expressed more satisfaction. Men in general have more interactions with the bank and therefore the bank employees. Also, in Kuwaiti society, men and women generally do not socialize freely and openly, therefore predictably causing discomfort during the interactions between different sexes. Banks generally have more men than women employees and this discomfort would then cause the satisfaction to decrease among women customers when dealing with male bank employees. Another explanation is that management within Kuwaiti banks is predominately male and so men are more familiar with the practice of business management in comparison to women. This familiarity would enable them to be more comfortable in their dealings with the banks.

The middle-aged group, compared to the other age groups, expressed the highest satisfaction. For the purposes of this study, the young were labeled as being 25 – 50 years of age. Due to the rapid technology developments over the last twenty years or so, technology driven banking services are presumably easier for the younger than the older generations. The older generations may find the technology frustrating because they are less familiar with it.

Most Kuwaitis join the work force in Kuwait at 23 – 50 years of age. After earning a salary, this is also the time that this age group to begin to deal with banking services. These customers are the stable and regular customers who need to use the bank very often. The majority of the customers who are less than 25 however, are not employed, making them less familiar and hence less comfortable with banking transactions. The older customers are usually retired, and therefore they do not have as many active dealings with banks, and are less familiar with the new bank services.

Those with higher education, compared to those with less education, expressed more satisfaction. Higher education usually means higher salary and therefore these people interact with the bank more often, which creates a relationship between the customer and the employee. This relationship results in higher levels of customer satisfaction. Those of higher education may be also working in similar organizations and businesses and are familiar with the difficulties associated with managing contemporary organizations. Hence their expectations may be lower and more realistic than those of less education.

As for marital status, the married customers expressed more satisfaction, followed by the bachelors, and finally by the divorced and the widowed. This could be the result of stability with married customers, which produces attitudes and feelings more composed, rooted in a sense of satisfaction. Also, customers who are married are more likely to request a loan. A person who has a loan from a bank is likely to feel a sense of gratitude, which may influence their opinion in favor of the bank.

The remaining characteristics of place of work or place of residence did not show significant differences. There was also very little difference between the government job and the job in the private sector. In regard to the customer's residence, there was no significant difference in the overall satisfaction according to governorate. Kuwait is a small country and although it is divided into six governorates, they are close in proximity, and similar demographics are found in all areas.

6.3.2 The relationship between job satisfaction and customer satisfaction

The researcher analyzed the relationship between job satisfaction and customer satisfaction and the findings are discussed as follows.

6.3.2.1 Job satisfaction of Kuwaiti banks employees

The results of the study indicate slightly positive job satisfaction of Kuwaiti banks' employees. Six factors were analyzed: salary, working hours, management, professional benefits, work relations, and physical work environment.

Low-income employees expressed higher job satisfaction compared to high-income employees. Usually the low-income employees are newcomers to the profession and therefore they still have feelings of gratefulness to their employer, which may skew their opinion. In most cases, new employees undergo a probationary period and if these respondents are under such a probationary period, they may be hesitant to voice dissatisfaction with their jobs. The pay scales are generally uniform throughout the banking sector, and the major differences in salary only occur once a person is in a senior management post. There is more potential for conflict and disagreement with those of senior management, which can lead to dissatisfaction. Based on the salary structure of banking companies, those with higher salaries are more often those who have been employed for a longer period. The employee, who has been with a company longer, has higher expectations upon him/her. These higher levels of responsibility usually entail higher levels of stress and hence lower job satisfaction. Their expectations are also higher due to these higher levels of responsibility.

Job satisfaction significantly differs according to income and marital status. Regarding marital status, the research shows that widows and divorced employees expressed high job satisfaction. These people have light commitments and have more time with which to dedicate to the duties of the banks. Married employees are second in job satisfaction. This is due possibly to the financial needs and commitments, which are being met through their job. Single employees ranked lowest with job satisfaction. Their income is usually lower and their financial commitments are less, which makes them less committed to the job. This in turn could have decreased their job satisfaction.

6.3.2.2 The correlation coefficient between job satisfaction and customer satisfaction

Research indicates a correlating relationship between job satisfaction and customer satisfaction. It was found that as Kuwaiti banks' employees' job satisfaction increases, the customers' satisfaction also increases. When the employees are satisfied, they will provide quality service for their customers. The positive correlation that was proven in this study

between employee job satisfaction and customer satisfaction shows that job satisfaction is a relevant mediating factor between customer satisfaction and leadership styles.

6.3.3 Relationship between customer satisfaction and leadership styles

This section will discuss what was found to be the practice of leadership styles and customer satisfaction in Kuwaiti banks. Each style will be discussed in detail.

6.3.3.1 Focused leadership

Focused leadership entails clarity of vision, and the ability to keep followers centered on the final objective. Focus is achieved by clearly established priorities and goals, which are then effectively communicated to employees. The focused leader has the ability to follow strategic plans of operation focusing on specific goals. The statistical analysis of the data confirmed that all the banks studied practiced FL to some degree and there was not much difference between them. There was a positive correlation between FL and PS at all banks, with the exception of CKB. In terms of profits, CKB performed the lowest of the Kuwaiti banks (El-Qabas Daily, issue no. 10915). This failure to achieve high profit may be interpreted as a result of failure to practice FL. Research shows that FL demands growth, sets priorities, and focuses on areas that will have the greatest impact on growth and profitability (Shawky, 1992, p.37). The overall customer satisfaction (OS) was also shown to have a positive significant correlation with practicing FL at the Kuwaiti banks.

6.3.3.2 Communication leadership

The purpose of communication leadership is to inform, share, inspire, gain commitment, and to enhance organizational culture. Using communications effectively, a leader needs to create an environment where team members are respected, genuinely involved and valued (Cranwell et al., 2002, pp. 293-294). Members of an organization have to know that sharing and communicating is the key to continuous improvement, the exchange of knowledge develops

individuals and that the exchange of objectives inspires others to perform in pursuit of goals (Mackey and Abdul-Aziz, 2002, p.12). For the Kuwaiti banks collectively, there are positive significant correlations between CL and customer satisfaction with its various aspects on the other measures of satisfaction. The study has shown that there was no correlation between CL and the overall customer satisfaction in KFH. This could be due to the fact that Islamic law governs the bank's practices and services. This religious system is generally viewed as unchangeable and non-negotiable therefore employees do not question or challenge the system. This also affects the leader of the organization, who does not consider issues that may be in conflict with the established Islamic principles. In this regard they are not implementing CL with their employees.

6.3.3.3 Trust leadership

Trust leadership is essential to building loyalty, cooperation, efficiency and satisfaction. Among the behavioral characteristics of this style of leadership are: open communication; encouraging participation; active listening; and consistency of style. The trusted leader must lead by example, be honest, have integrity, and are sensitive. It has been argued that trust is the main factor in leadership behavior (Pixley, 1999; Moray, et al. 2000). Due to trust being an essential factor of leadership, one would expect the high TL score that was confirmed by this study. There were significant differences among Kuwaiti banks in the practice of TL. The practice of TL was not significantly correlated with any aspect of customer satisfaction in KFH or CKB and that was due to the commitment toward the system rather than the individual in both of these banks. As such, the practicing of TL is significant to customer satisfaction in some banks only. This indicates that there are other variables affecting the relation between practicing TL and Kuwaiti banks customer satisfaction. KFH and CKB are unique in their styles and identity. KFH is based on religion and CKB is based on business principles. Therefore the customers trust the identity of the bank itself, rather than the leadership style.

6.3.3.4 Respectful leadership

Respectful leadership respects the individual employees and deals with them in a way in which their valuable contribution is highly appreciated. Respectful leaders are also decisive and consistent, communicating clear expectations for the job and holding others accountable (Al-Kzaz, 1992, pp.191-203). The findings show significant differences in the practice of RL in all Kuwaiti banks. BKM ranks first in terms of practicing RL. This bank has had numerous management restructurings over the past five years. It is possible that each incoming management team did their best to gain the trust and respect of the employees to influence them to be less resistant to the changes, which would boost the result of the study specific to RL. As for each bank individually, there were positive and significant correlations between RL and customer satisfaction in terms of OS, with the exception of CKB. There were positive and significant correlations between RL and customer satisfaction in terms of PS in some Kuwaiti banks (NKB, GB, KCB, and KMB). There were positive and significant correlations between RL and customer satisfaction in terms of SS in some Kuwaiti banks (GB, KFH, BB, and BKM). There were also positive and significant correlations between RL and customer satisfaction in terms of PT in only two Kuwaiti banks (GB and BKM). Among Kuwaiti banks collectively, there were positive and significant correlations between RL and all aspects of customer satisfaction, including total satisfaction. Therefore it is not unusual to find high levels of satisfaction among bank customers because of these correlations between RL and customer satisfaction.

6.3.3.5 Risk leadership

The risk leader manages risks focusing on the opportunities when considering challenges. He or she is proactive, embracing change and taking advantage of new and developing prospects for growth. This form of leadership understands risk and takes calculated risks when seeking opportunities, rather than trying to eliminate risk altogether (Taffinden, 1995, p.76). The statistical analysis of the data has shown that the practice of risk leadership in Kuwaiti banks was limited, scoring 55.6% of the total score. It is clear that bank management is conservative in this respect, not engaging in taking risks, due in large part to the restrictions imposed by the Central Bank of Kuwait. Since 1997, it has become mandatory for all banks to have

approximate capital, which is at least 12 % of the risk weighted assets. The Central Bank of Kuwait does this with the objective of guaranteeing of capital adequacy and assuring procedures of the market risks. Regarding Kuwaiti banks as a whole, there were positive and significant correlations between risk leadership and customer satisfaction with its aspects of PS, SS, PT, and TS. Differences among banks in terms of practicing risk leadership are not significant and this again is due to the fact that the banks' exposure to risk is limited by the Central Bank of Kuwait. As for each bank individually, there were positive and significant correlations between risk leadership and customer satisfaction in terms of PS, SS, and TS at NBK, GB, and KFH. All three of these banks are highly profitable banks.

Except for the above, risk leadership is not significantly correlated with customer satisfaction. For example, there are no significant correlations between risk leadership and any aspect of customer satisfaction at BB, CKB, and KCB. They are not correlated with customer satisfaction because the government is a major customer in these banks. The results indicate that there are other factors that explain customer satisfaction at Kuwaiti banks, and that risk leadership is correlated with customer satisfaction at some, but not at all Kuwaiti banks. Although RIL is not high in comparison to the other styles examined, it is a relatively high percentage considering the circumstance of the limitations imposed by the Central Bank of Kuwait. Kuwaiti bank services are about two major activities: loans and investments, which are services required to be implemented by RIL. Furthermore, bank employees have stock options through their employer which reflects their acceptance of risk. Customers appreciate risk taking by the management within the limitations established by the Central Bank of Kuwait. This practice of risk throughout the organization is reflected in the positive relationship between customer satisfaction and practicing of RIL.

6.3.3.6 Bottom-line leadership

Bottom-line leadership is composed of the visionary leaders who have an underlying belief that they can personally make a difference and have an impact on people, events and organizational achievements (Tareef, 1992, p.45). Their main characteristic is their ability to instill a sense that one can have an effect over the destiny of others (Al Rashidi, 2003, p.29). As for practicing bottom-line leadership (BL) in Kuwaiti banks, data analysis established that the mean score was 59.2%, which is a slightly high percentage. The statistical analysis shows

that there are no significant differences among Kuwaiti banks in relation to the practice of BL. It was also established that PS had a positive and significant correlation with bottom-line leadership in some banks (NBK, GB, KFH, and BKM). There was also a positive and significant correlation between SS and bottom-line leadership in these banks in addition to BB. Moreover, PT had a positive and significant correlation with bottom-line leadership in only two banks (GB and BKM). There was no positive or significant correlation between PT and bottom-line leadership in the other banks.

6.3.3.7 Empowered leadership

Empowered leadership seeks to loosen up an organization, utilizing the intellectual capital of all members, to create an innovative and flexible organization. According to Al Rashidi (2003), efficient leaders use power to empower others, who then use their power and influence to help create the leader's vision. According to Dess and Pichen (2000), empowering employees at all levels is one of the key roles of leaders as they seek to loosen up the organization without losing strategic focus or spinning out of control. The study's results showed that the practice of empowered leadership was in 60.8% of Kuwaiti banks. The differences among Kuwaiti banks with regard to practicing EL are significant. The results show that KFH ranks first in terms of practicing EL. The senior management of KFH chooses the banks' managers who are not only technical leaders but inspirational and empowering leaders as well. This is due to the desire to have the Islamic character represented by the leaders and such character is known to teach empowerment of others.

There are differences among Kuwaiti banks with regard to the practice of EL. EL has no significant correlation with PT in all Kuwaiti banks. EL instructs and enhances the employee to do his/her best job. The empowerment does not extend to the customer because the focus is on the system and therefore there is little relation to customer satisfaction. Therefore the study found no correlation between EL and the PT. Also, PS, SS and TS have positive and significant correlations with EL in all banks except for CKB. In short, EL is not correlated with PT, and it has no significance with regard to customer satisfaction at CKB. Apart from this, EL has positive correlations with customer satisfaction at the other banks.

6.3.3.8 Long-term leadership

Long-term leadership arises from the fact that many long-term challenges face modern firms. In a changing world, these challenges may be ingrained in the roots of business and they could be only changed overtime with the persistence and resistance of future leaders (Mumford, et al., 2000). According to this study, the practicing of LTL was found to be 60.4% among Kuwaiti banks. The mean scores for practicing LTL range from 55.2% to 66.4%, which shows that differences among Kuwaiti banks are not significant. BKM is the only bank where LTL has positive and significant correlations with customer satisfaction with its all dimensions. This is due to the stability of being the oldest bank in Kuwait; therefore there is a stable relationship with the customers and clients.

At the level of Kuwaiti banks collectively, there are positive and significant correlations between LTL and customer satisfaction with its aspects of PS, SS and TS. Banks are long-term establishments and therefore there is going to be a high level of the practice of LTL in Kuwaiti banks. The relationship between customer satisfaction and LTL has already been established so that when there is the practice of LTL there are high rates of customer satisfaction. Most of the banks have no correlation with the practice of LTL and PT of customer satisfaction. This emphasizes the fact that attention is not on short-term, but rather on the long-term maintenance of customers. This is evidenced through the services that are being presented, which are for long-term services throughout all sectors of society. This satisfies the customers' long-term business needs.

6.3.3.9 Organizational leadership

The organization leader focuses on creating the proper work environment, achievement of goals based on customer demand, coordination of teams, and maintenance of shared values of the organization's culture. According to Al Rashidi (2003, p.31), organizational leadership deals with four basic issues. The first issue is the change in the environments. The second issue is achieving goals based on customer/client demands. The third issue is coordinating the activities of individuals and teams, and the fourth issue is maintaining the system of shared values and beliefs that drive the organization's 'culture' and determine how well the

organization deals with problems of adaptation and goal attainment. Regarding the practice of OL in Kuwaiti banks, the statistical analysis established that there was a slightly high level of OL practice among Kuwaiti banks (59.2%). There were no statistically significant differences among Kuwaiti banks in terms of practicing OL. At the level of all Kuwaiti banks collectively, there were positive and significant correlations between OL and customer satisfaction in terms of PS, SS, PT, and TS. At the level of Kuwaiti banks individually, there were positive and significant correlations between the practice of OL and customer satisfaction with all its aspects at KFH. Islamic banking is the fastest growing sector of finance and therefore KFH leaders desire for the company to maintain during this period of growth, so attention is paid to the OL. The study showed that there was no correlation with customer satisfaction and OL in BKM and KCB. BKM's clients are mostly governmental and therefore the focus of their business is not on the individual customers but on the clients. With KCB, the focus is on the cultural values of the bank and there is not much concern for the organizational aspects.

6.3.3.10 Cultural leadership

The leaders' task is to create a culture that integrates all individuals into a natural unity so individual actions strengthen the results of the whole and change the culture when necessary to ensure that it promotes needed integration and harmony (Fairholm, 1991, p.81). Kuwait, like much of the Arabian Gulf region, has a high number of expatriates in the workforce. Firms that comprise people from different cultures often find it difficult to work together, so it is necessary to create an environment where members share knowledge and have common values (Li et al., 2002). This is the reason that the practice of CUL was found to be a high percentage with 61.6% of the Kuwaiti banks. There are significant differences among Kuwaiti banks in practicing cultural leadership. BKM ranked first in practicing CUL, which is due to the history of BKM being the first Kuwaiti owned bank established after the British colonization. BKM is seen as the traditional Kuwaiti bank and the management's concentration is on the customers of the Kuwaiti culture.

On the other hand, NBK ranked lowest in regard to CUL, primarily because of their focus on goals of international and global expansion. To meet this goal, NBK has opened many branches in different countries and the management does not have a commitment to a specific culture or religion. The management's approach in dealing with the market is based within a multi-cultural environment. There are positive and significant correlations between CUL and customer satisfaction in terms of PS, SS, and TS at Kuwaiti banks in general. The practice of CUL is not correlated with PT at any of the Kuwaiti banks studied. The focus of cultural leadership style is related to the employees, not the customers, so there is little attention paid to the PT.

6.3.3.11 Total leadership styles

A total leadership style is the summation of the various leadership styles practiced by Kuwaiti banks. The mean score for practicing TLS was slightly high among the banks of Kuwait, at a level of 59.9%. The scores for practicing TLS range from 54.8% to 64.72%. There are no significant differences among Kuwaiti banks regarding the practicing of TLS. However, the study found that there are significant differences among Kuwaiti banks in the practice of individual leadership styles. In other words, it was found that different styles were being practiced at different levels but all the styles as a whole were being practiced at each bank at relatively high levels.

6.4 Implications of the study in theory and practice

The positive relationship between leadership styles and customer satisfaction of Kuwaiti banks is mediated by several variables, for example job satisfaction, bank and customer characteristics. Leadership affects positively customer satisfaction through the effectiveness in managing facilities and resources, motivating employees and creating an appropriate working environment. Leadership behaviour reflects positively on work outcomes, which agree with customer satisfaction through high quality product, job satisfaction, motivation, and positive values in dealing with customers. According to the findings of this study, there

are important implications reinforcing the need for Kuwaiti banks' leaders to achieve development through customer satisfaction. Leadership is important to gaining customer satisfaction but that happens only when it provides the means for a sustainable employee satisfaction.

6.5 Summary and conclusions

This study has shown that, in overall, the customers of Kuwaiti banks were highly satisfied with the services they received. The majority of the banks' customers expressed satisfaction with both performance and operation, and had a positive attitude toward the banks. Customer satisfaction with regard to bank performance was at 71% - 91.8% of those studied. Kuwait Finance House ranked first in this category and the Bank of Kuwait and Middle East ranked last. The study supports the idea that customer satisfaction differs from one bank to another. In this respect, the KFH ranked first and the BKM was last in overall. Particularly KFH and NBK ranked higher than the other Kuwaiti banks in terms of overall customer satisfaction.

Customer satisfaction with regard to bank systems was at a high level among Kuwaiti banks at 81.7%. KFH ranked first in this regard, NBK was next and the other banks followed. The mean score for KFH was substantially different from the scores of all the other banks. Customer positive trend was also high. The study showed a rate of PT of 71.1%. NBK ranked first in terms of PT and the lowest ranking banks were BB and CBK. It was revealed that there were differences among banks with regard to the performances of banks, dependant upon demographic characteristics. Significant influence on satisfaction was shown in the characteristics of gender, age, education, and marital status. The remaining characteristics of place of work or place of residence did not show significance.

Overall satisfaction was not significantly different in relation to education, job and governorate of residence. Customer satisfaction did not differ according to the period of dealing with the banks, with the exception of only KFH and BB. The study shows that those who have been dealing with KFH for more than ten years expressed the highest level of satisfaction. Males of more than 50 years were more likely to be satisfied, while females of more than 50 were less likely to be satisfied. Widows and divorced between the ages of 25

and 50 were more likely to be satisfied while widows or divorced less than 25 years old were less likely to be satisfied.

The characteristics of the employees also seemed to influence job satisfaction. The study shows that job satisfaction was affected by employee characteristics in terms of income and marital status but not affected by their gender, age or education. Low-income employees also expressed high job satisfaction compared with high-income employees. Employees who were widows, divorced or married expressed higher job satisfaction when compared with single employees. In overall, the majority of Kuwaiti bank employees expressed satisfaction with their jobs. However, out of the 82% who expressed satisfaction with their jobs, 54.7% were only slightly satisfied. There were no significant differences between Kuwaiti banks in terms of employees' job satisfaction.

At the level of Kuwaiti banks as a whole, there was a significantly positive correlation between customer satisfaction and employees' job satisfaction. For each bank separately, there were significant and positive correlations between customer satisfaction and job satisfaction in four banks (NBK, GB, KFH, and BKM) while there were no significant relationships between customer satisfaction and job satisfaction in the other three banks.

Moreover, the study examined the relationship between leadership styles and customer satisfaction. The findings have shown that Trust Leadership was the most prevalent in the practice of leadership styles by managers of Kuwaiti banks while Risk Leadership was the least prevalent. There was a significantly positive relationship between the styles of leadership and customer satisfaction of Kuwaiti banks. The overall customer satisfaction was positively correlated with all of the leadership styles studied. The level of the implementation of each style was different however, from one bank to another.

CHAPTER SEVEN

CONCLUSION

7.1 Summary

The study has explored the relationship between leadership styles, customer satisfaction and job satisfaction in seven Kuwaiti banks. The research was conducted through sampling of employees and customers in all governorates of Kuwait. The data were collected through the use of questionnaires designed for both customers and employees and were processed and analyzed through the use of the computer software, the SPSS. The results indicated that the customers of Kuwaiti banks expressed relatively high satisfaction with the performance of the banks they dealt with. However, customer satisfaction differs from one bank to another. It also varies according to customer characteristics in terms of gender, age and marital status.

It was also found that there were positive and significant correlations between total leadership styles (TLS) and total customer satisfaction at only two banks. Customer satisfaction increases when TLS rises, but this differs according to the variables of employee job satisfaction and the type of bank. The effect of job satisfaction on customer satisfaction depended on the level of practicing certain type of leadership styles. This relationship differs from one bank to another and it is affected by customer characteristics.

From a theoretical point of view, it can be argued that customer satisfaction research has reached a stage where considerable knowledge exists about the behaviour of customers, but not much is known about the managerial actions and organizational contexts. This study points to synthesis of developments in the fields of customer satisfaction and organizational behavior. As the knowledge pool of customer research is increasingly incorporating theoretical advances from relevant branches of sciences such as psychology, sociology, communication, economics, and management, service-marketing researchers focusing on customer satisfaction should also visit a wider array of academic disciplines.

Customer satisfaction has been a theme of great interest for researchers and practitioners for many years. The overwhelmingly positive correlation between customer satisfaction and business performance in various parts of the world has greatly influenced research directions and managerial actions. Business organizations that do not focus on customer satisfaction lag behind their competitors. Evidence exists to suggest that organizations can save rather than spend money by listening to customers and translating their needs, wants and demands into the services they offer. Customer satisfaction can, of course, be used to evaluate and enhance the performance of a cross-section of firms, industries and economic sectors. Thus, this study used customer satisfaction as a dynamic construct based on various research studies in contemporary marketing literature.

Leadership style means the way in which the leader of the group relates to his or her subordinates. There are a number of ways to classify these styles. This study's construct of leadership styles of bank managers in Kuwait was based on the updated version of the Reddin's Management Style Diagnostic Test (1987). This was prompted by the need to provide a more extensive study of leadership styles of bank managers in Kuwait. Moreover, the construct was situational-based and helped to create a variable called *total leadership style* (TLS). Leadership styles have a potentially significant effect on customer satisfaction because of the influence of leadership on organizational climate, performance, quality and relations. This study has found significant differences among Kuwaiti banks regarding the practice of trust leadership, respectful leadership, empowered leadership and cultural leadership, while there were no significant differences among Kuwaiti banks in the practice of focused leadership, communication leadership, risk leadership, bottom-line leadership, organizational leadership and long-term leadership. The surprising result, however, was the positive and significant correlation among the practice of leadership styles. This means that the high practice of certain leadership style(s) is accompanied with high practice of another leadership style(s). For example, when the practice of focused leadership (FL) is high, the practice of other styles of leadership is also high.

The practice of leadership styles tends to be less significantly correlated with customer positive trend compared with customer satisfaction regarding the banks' systems and performance. This means that Kuwaiti bank managers have to concentrate more on creating and sustaining positive attitudes of customers towards their banks. Customer satisfaction

tends to be high in cases of high practice of leadership styles and high job satisfaction. However, this differs from one bank to another and affected by the employees characteristics. It was found that customer satisfaction was dependent on the style of leadership of the bank's management. The managers had their own leadership styles and they had to use them according to their customers' responses because the customers' levels of satisfaction varied to some extent. The styles had to change and to adapt to the needs of the targeted customer.

7.2 Reconsideration of the research objectives

This study attempted to achieve the following research objectives:

- 1) To identify the level of Kuwaiti banks customer satisfaction;
- 2) To elaborate the extent to which the managers of Kuwaiti banks practice leadership styles;
- 3) To find out if the level of Kuwaiti banks customer satisfaction differs according to the level of leaderships styles adopted;
- 4) To measure the level of Kuwaiti banks employee job satisfaction and its relationship to both leadership styles and customer satisfaction;
- 5) To identify the personal characteristics which are significant to customer satisfaction; and therefore
- 6) To establish the effect of interaction between Kuwaiti banks' employee job satisfaction and customer characteristics on the relationship between leadership styles and customer satisfaction.

These objectives were met through the collection of employee and customer responses to questions related to each objective. The responses were then analyzed statistically in order to find out if those objectives were met or not. This research took further steps to better understand and analyze the relationship between leadership styles, employee job satisfaction and customer satisfaction.

7.3 Contribution of the study to knowledge

This study is a pioneering attempt to examine leadership styles in interaction with employee and customer satisfaction. As there have not been previous studies on Kuwaiti banks regarding leadership and customers, the current study is a contribution to the literature on Kuwaiti banks, leadership, employees and customers. The study assessed the growing importance of the banking sector in Kuwait. Being the lifeblood of the service industry, the banking sector in Kuwait has the potential to contribute greatly to the process of economic diversification. If allowed to operate in a deregulated and competitive environment, Kuwaiti banks will have to adopt imaginative strategies to satisfy their customers.

The current study has also made an attempt to contribute to the methodological aspect of customer satisfaction research. The study is multi-dimensional and has attempted to analyse statistically a number of interrelated variables. It explored the relationship between leadership styles, job satisfaction, and customer satisfaction by considering the relevant variables that other studies of customer satisfaction have not considered.

The study is also significant to the effectiveness of marketing strategies in Kuwaiti banks as mentioned earlier under the implications of the study in theory and practice. If managers desire targeting specific market demographics, they can emphasize on certain managerial aspects of the bank. For example, the results of the study show that work systems have significant correlation with the satisfaction of females, customers of high education, or those customers of single marital status.

Non-bank managers as well as managers of banks in other countries may benefit from the findings of this study, especially in organizations where securing customer satisfaction is a strategic objective. The results of the study could be used as a benchmark by which other services organizations or other banks may compare with their levels of satisfaction.

This study has shown that there is a lot of overlap between the various leadership styles within the banks. Therefore it would be possible for a bank manager to practice two or three different aspects from various leadership styles. This is particularly important in countries like Kuwait where managers (as expatriates) are hired from various countries to work together. Using different leadership styles in one organization may be a problem but

combining appropriate styles is always an advantage when dealing with employees and customers from different ethnic background.

7.4 The limitations of the study

Like most empirical studies, this research study has some limitations. These limitations may restrict the generalization of the research findings as follow:

- The study was applied to Kuwaiti banks and therefore its findings may be only significant in the Kuwaiti context. The results are specific to the leadership styles anchored in the work culture of Kuwaiti banks. They may be useful as general indicators for other banks but may not automatically apply to them. In other words, one has to consider the socio-cultural and economic context in which the study was carried out.
- The study was conducted within a specific period (2002-2005). Other periods may witness developments and changes at Kuwaiti banks in a manner that may relatively restrict the results of the study.
- The study used samples of bank customers and employees, which were not completely random. Random sampling led to the selection of inappropriate actors and therefore strict random sampling was applied to select the customers of one bank as a pilot study. It was discovered that those customers were new, and therefore could not give informed opinions or accurate information. The same method was applied to the selection of a pilot sample of bank employees. Accordingly, random sampling (if included valid subjects) and non-random sampling (ensuring selection of valid subjects) were combined in order that appropriate opinions and accurate information required for the study could be obtained.
- While considering mediating factors, the study focused on the relationship between leadership styles and customer satisfaction of Kuwaiti banks. However, the study does not claim that it has investigated all potential variables that could have an influence on that relationship. For example, an employee might negatively evaluate his/her

supervisor for personal differences, though the supervisor could be efficient. A customer might express dissatisfaction with the bank because of personal problems that could interfere with his/her evaluation of either the bank or other organizations he/she could be dealing with. Further, evaluations could be influenced by the personal characteristics of respondents, etc. Such issues were not considered by the study because it was not possible to cover all possible variables in one survey.

- The study was conducted on seven out of eight banks in Kuwait during a set period of time. It was not possible to subject the eighth bank to the study because it was not possible to interview its employees. New banks have been established in Kuwait since conducting the study. The new banks may have different leadership styles and possibly different customer satisfaction.
- Finally, a potential limitation of this study is that it did not capture the images of service quality offered by multinational banks, which might be on the minds of consumers when feeling satisfied or dissatisfied about a service offered by a banking organization in Kuwait.

7.5 Proposals for further research

This study is breaking new grounds in the field of leadership styles in Kuwait banking sector, and therefore the field is open for much further research. In the light of this and considering the limitations mentioned above, the following proposals can be suggested for future research:

1. The current study was conducted in a certain period of time and under specific conditions. The changing world requires conducting comparative studies in different contexts regarding changing time and conditions.
2. As the information technology (IT) occupies a central position in Kuwaiti banks. There is a need to investigate the effect of IT in Kuwaiti banks regarding managerial performance and customer satisfaction

3. It is important that future research clarify the relationship between religious background of Kuwaiti bank's managers, employees' satisfaction and customer satisfaction. This is especially important because there is a growing trend to apply Islamic Law in banking. The impact of Islamic culture should be taken into consideration when studying the styles of leadership.
4. Future research should also examine customer satisfaction and leadership styles in Kuwaiti banks by comparing them with other industries and sectors. Our study was limited to the banking sector, and by comparing with other industries and sectors, the researchers can determine if the variables are only relevant to the banking sector.
5. Further research in the area of customer satisfaction could also benefit from the use of a case study approach, as this is likely to capture group dynamics and complexity related to leadership styles and employees' job satisfaction.
6. Despite the proliferation of research studies focusing on customer satisfaction, there is a shortage that much of the existing customer satisfaction research has not given adequate attention to the organizational and managerial contexts (Anderson and Fornell, 1991), the current study did not investigate the process of organization and management. Accordingly, the managerial and organizational aspects of Kuwaiti banks are suggested to be a major area for future research.
7. More research on the relationship between the demographics and job satisfaction and customer satisfaction is useful based on the findings of this study. For example, there was a general finding showing a correlation between job satisfaction and single marital status. Further research could examine the relationship between those single employees and job satisfaction.
8. Similar research that takes into account the demographic variable of nationality is suggested. The nationality of the employees and customers should be researched along with the other demographic variables because the population of Kuwait includes more than 120 different nationalities. The foreign workforce in Kuwait makes more than half of the population..

9. There is a need to study the effect of women in leadership roles, which is slowly increasing in Kuwait. The study could establish whether there are significant relationships between gender and the variables such as job satisfaction of employees.
 10. Research regarding customer satisfaction with the use of Internet services would be useful in this increasingly technology driven environment.
 11. This study indicates that all service sectors could use similar studies. Proposed studies may examine the similarities and difference among the various service sectors such as insurance, health care, education, and mental health.
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In the name of Allah, the Rahman, the Most Merciful

Dear Customer,

Below you will find a group of items and questions about your bank. Please read each item/question carefully and mark the response most appropriate to your point of view. Given the importance of this questionnaire, you are kindly requested to answer all items and questions accurately and honestly. Please note that there is nothing as a correct answer and a wrong answer. To mention your name is optional. All data will be treated confidentially and will be used for research and development purposes only.

Thank you for your cooperation

Hanadi Al-Hamli

(1)- Which Kuwaiti bank are you dealing with at present?

- 1- Kuwait National Bank
- 2- Gulf Bank
- 3- Kuwait Finance House
- 4- Burgan Bank
- 5- Al-Ahli Bank of Kuwait
- 6- Commercial Bank of Kuwait
- 7- Kuwait Real Estate Bank
- 8- Industrial Bank
- 9- Bank of Kuwait and the Middle East
- 10- Others

(2)- Which bank are you dealing with very often and regularly? (Please select only one bank, with which you conduct most of your dealings).

- The Bank with which I conduct most of my dealings is -----

(3)- With regard to the bank with which you deal on a regular basis, since when have you been dealing with that bank?

1- Less than five (5) years

2- Five (5) to ten (10) years

3- More than ten (10) years

Please circle the correct response option that is most appropriate to your point of view on the bank with which you deal on a regular basis.

	Service or activity	Your Evaluation of the bank with which you deal regularly					
		Excellent	Good	Average	Poor	Hard to tell	Bad
4	Attention paid to you by bank employee when you enter the bank.	5	4	3	2	1	0
5	Order of waiting for your turn.	5	4	3	2	1	0
6	Period of waiting till the service is provided.	5	4	3	2	1	0
7	The way you are received by bank employee when requesting a service.	5	4	3	2	1	0
8	Availability of competent bank employee to execute required service.	5	4	3	2	1	0
9	Promptness of service execution.	5	4	3	2	1	0
10	Understanding by bank employee of your needs.	5	4	3	2	1	0
11	Introducing to you the services provided by the bank.	5	4	3	2	1	0
12	Introducing to you the new services offered by the bank.	5	4	3	2	1	0
13	Answering your inquiries, if any.	5	4	3	2	1	0
14	Solving any problem facing you in dealing with the bank.	5	4	3	2	1	0
15	Cleanliness and tidiness of the bank.	5	4	3	2	1	0
16	Services provided by the bank.	5	4	3	2	1	0
17	System of work in the bank in general.	5	4	3	2	1	0

Please circle the answer that best suits your point of view:

(18)- With regard to the bank with which you are currently dealing on a regular basis, are you planning to continue dealing with that bank?

- 1- Yes, certainly. 2- No. 3- Hard to tell

(19)- Suppose that a family member or a relative is planning to deal with a certain bank, what advice would you give him/her?

- 1- I would advise him/her to deal with the one I am dealing with
2- I would advise him/her to deal with another bank
3- Hard to tell
4- Others

(20)- With regard to the bank with which you deal on a regular basis, you think that:

- 1- the bank you deal with is better than the other banks.
2- the other banks are better.
3- they are all the same.
4- Hard to tell.

(21)- How often do you face difficulties or problems in your dealings with the bank?

- 1- Very often.
2- Rarely.
3- I face no difficulties or problems.

Personal information:

(1)- Gender: 1- male 2- Female

(2)- Age: 1- Below 25 2- 25 – 50 3- Above 50

(3)- Education: 1- Below intermediate 2- Intermediate/high school

3- University or higher

(4)- Job: 1- Public sector 2- Private sector

(5)- Governorate of Residence:

1- Kuwait City	2- Hawalli
3- Farwaniya	4- Ahmadi
5- Jahra	6- Mubarak Al-Kabir

(6)- Marital Status: 1- Single 2- Married 3- Others

Thank you!

In the name of Allah, the Rahman, the Most Merciful

Dear Employee,

Work is a focus of interest not only to the individual and the community, but to those involved in scientific research as well. Very often, research and other studies are conducted on work conditions and how to improve them abreast with the ever-changing work environment.

The attached questionnaire is to be answered by the employees in various organizations, including Kuwaiti banks. It includes a set of items. Each item has five response options. You are kindly requested to read each item carefully and circle the option that would be in agreement with your personal point of view. Given the importance of this questionnaire, please mark your response as accurately as possible. The efficiency of findings and potential development are dependant upon the accuracy of your responses.

Thank you for cooperation.

Hanadi Al-Hamli

I- The items related to your degree of job satisfaction. Please circle your response option.

ASPECTS OF YOUR CURRENT WORK IN THE BANK		DEGREE OF SATISFACTION				
		Not satisfied	To some extent	Hard to tell	To a considerable extent	Very satisfied
1	Monthly salary received from work	1	2	3	4	5
2	Allowances received from work	1	2	3	4	5
3	Financial benefits for overtime work	1	2	3	4	5
4	Paid leaves	1	2	3	4	5
5	Total financial compensation for the efforts exerted at work	1	2	3	4	5
6	Time of beginning daily work	1	2	3	4	5
7	Time of the end of daily work	1	2	3	4	5
8	Number of daily working hours	1	2	3	4	5
9	Rest hour during work	1	2	3	4	5
10	Weekly rest days	1	2	3	4	5
11	Work rules and regulations	1	2	3	4	5
12	The role of the management in solving problems at work	1	2	3	4	5
13	The role of the management in settling work difficulties	1	2	3	4	5
14	Administrative instructions and decisions	1	2	3	4	5
15	Efficiency of management at your work in general	1	2	3	4	5
16	Acquiring new skills at work	1	2	3	4	5
17	Acquiring new knowledge at work	1	2	3	4	5
18	Training and education opportunities available to you at work	1	2	3	4	5
19	Promotion to higher positions	1	2	3	4	5
20	Suitability of current job with your interests and ambitions	1	2	3	4	5
21	Relationship with immediate supervisor	1	2	3	4	5
22	Relationships among managers	1	2	3	4	5
23	Relationships among employees	1	2	3	4	5
24	Easiness to contact the higher management if needed	1	2	3	4	5

25	Periodic meetings between employees and the management	1	2	3	4	5
26	Technological facilities at work (equipment and devices)	1	2	3	4	5
27	Furniture (desks, seats, etc.)	1	2	3	4	5
28	Lighting (quality of lighting at workplace)	1	2	3	4	5
29	Ventilation at workplace (ACs, windows, etc.)	1	2	3	4	5
30	Support services (buffet, elevators, cleaning, etc.)	1	2	3	4	5

II- Items that describes your supervisor at work. Please read each item carefully and decides its degree of applicability to your immediate supervisor by circling the appropriate response option.

ITEMS		DEGREE OF APPLICABILITY				
		Not applicable	To some extent	Hard to tell	To a considerable extent	Fully applicable
31	Focuses attention on specific aspects of work	1	2	3	4	5
32	Able to direct the employees' focus to the aspects of his attention	1	2	3	4	5
33	Helps the employees to understand the aspects of his focus of attention	1	2	3	4	5
34	Follows up the interaction of the employees with the aspects of his attention	1	2	3	4	5
35	Strives to solve problems that impede the attention of the employees on the aspects of his attention	1	2	3	4	5
36	Speaks in a manner that attracts employee attention	1	2	3	4	5
37	Expresses his ideas very clearly	1	2	3	4	5
38	Able to organize ideas and express them logically	1	2	3	4	5
39	Able to convince employees with his views	1	2	3	4	5
40	Listens attentively to the employee	1	2	3	4	5
41	Stable in his dealing with the employees	1	2	3	4	5
42	Does not take decision or actions abruptly	1	2	3	4	5
43	Keen for the stability of employees in their jobs	1	2	3	4	5

44	Keen for the stability of work rules and regulation	1	2	3	4	5
45	His reactions to work matters can be easily anticipated	1	2	3	4	5
46	Respects employees' opinions and ideas about work	1	2	3	4	5
47	Keen to give each person what he deserves	1	2	3	4	5
48	Does not hurt the feeling of the employee verbally or non-verbally	1	2	3	4	5
49	Keen that employees should respect work and perform their duties	1	2	3	4	5
50	Enjoys the respect of his subordinates	1	2	3	4	5
51	Takes decisions that may have risks	1	2	3	4	5
52	Encounters real challenges and problems facing work	1	2	3	4	5
53	Creates hard opportunities that attract employees	1	2	3	4	5
54	Invests work capabilities in activities that would ensure the success of the organization	1	2	3	4	5
55	Invests his capabilities in examining work issues before deciding on them	1	2	3	4	5
56	Clearly convinced of his ability to influence the policy of the organization	1	2	3	4	5
57	Clearly convinced of his ability to influence the performance of the employees	1	2	3	4	5
58	Clearly convinced that the person himself is the one who can decide the person's own destiny	1	2	3	4	5
59	Has influence over important activities and decisions in the organization	1	2	3	4	5
60	Suggests ideas and views that can be considered by higher levels	1	2	3	4	5
61	Seeks to have power in the organization	1	2	3	4	5
62	Has a specific vision and wants to have capabilities to make it happen	1	2	3	4	5
63	Employs his power to strengthen the employees	1	2	3	4	5

64	Guides employees into using their capabilities in a specific direction	1	2	3	4	5
65	Cares for the career development of the employees	1	2	3	4	5
66	Has long-term objectives for developing the organization	1	2	3	4	5
67	Focuses on aspects related to the future of the organization	1	2	3	4	5
68	Knows well what should be done so that he can be in the right direction	1	2	3	4	5
69	Able to develop long-terms ideas for work	1	2	3	4	5
70	Pays attention to expanding activities and performance scope at work	1	2	3	4	5
71	Pays attention to changes that may take place in the society and have an effect on business	1	2	3	4	5
72	Pays attention that organization objectives should be in line with the needs of the community	1	2	3	4	5
73	Pays attention to the activities made by the individuals and work-teams in the organization	1	2	3	4	5
74	Pays attention to finding common activities for some employees in the organization	1	2	3	4	5
75	Pays attention to organizing work so that performance could be effective	1	2	3	4	5
76	Committed to specific values and ideas within work	1	2	3	4	5
77	Pays attention to disseminating specific values and ideas to the employees	1	2	3	4	5
78	Encourages employees to adopted up-to-date ideas	1	2	3	4	5
79	Pays attention to fighting ideas that would have a negative influence of the employee or the organization	1	2	3	4	5
80	Pays attention that the employees would adopt the values appropriate to change	1	2	3	4	5

Personal Information:

- Gender : (1) Male (2) Female

- Age : ()

Job :

- (1) in a government organization
- (2) in a private-sector organization
- (3) Others

Education :

- (1) Below intermediate
- (2) Intermediate but below university
- (3) University or higher

Marital Status :

- (1) Single
- (2) Married
- (3) Divorced
- (4) Widow

Average Monthly Income : ()

THANK YOU!
Hanadi Al-Hamli